

<i>SERFF Tracking Number:</i>	<i>CLTR-126718696</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>Presidential Life Insurance Company</i>	<i>State Tracking Number:</i>	<i>46188</i>
<i>Company Tracking Number:</i>	<i>GHIC2006UASB</i>		
<i>TOI:</i>	<i>H21 Health - Other</i>	<i>Sub-TOI:</i>	<i>H21.000 Health - Other</i>
<i>Product Name:</i>	<i>Group Hospital Indemnity Coverage</i>		
<i>Project Name/Number:</i>	<i>UASB Association Filing (GHIC2006)/GHIC2006UASB</i>		

## Filing at a Glance

Company: Presidential Life Insurance Company

Product Name: Group Hospital Indemnity Coverage      SERFF Tr Num: CLTR-126718696      State: Arkansas

TOI: H21 Health - Other      SERFF Status: Closed-Approved-Closed      State Tr Num: 46188

Sub-TOI: H21.000 Health - Other      Co Tr Num: GHIC2006UASB      State Status: Approved-Closed

Filing Type: Form      Reviewer(s): Rosalind Minor

Authors: Frank Cripps, Susan Kalmus      Disposition Date: 07/14/2010

Date Submitted: 07/13/2010      Disposition Status: Approved-Closed

Implementation Date Requested: On Approval      Implementation Date:

State Filing Description:

## General Information

Project Name: UASB Association Filing (GHIC2006)

Project Number: GHIC2006UASB

Requested Filing Mode: Review & Approval

Explanation for Combination/Other:

Submission Type: New Submission

Overall Rate Impact:

Filing Status Changed: 07/14/2010

Deemer Date:

Submitted By: Frank Cripps

PPACA: Not PPACA-Related

Filing Description:

On July 31, 2006, the Arkansas Department Approved for use policy Form GHIP2006 AR and related forms, including a certificate of insurance Form GHIC2006 SC.

Presidential Life has issued group policy Form GHIP2006 SC to the United Association of Small Business ("UASB").

Attached please find a copy of the group policy as issued to the UASB for your reference and information. The UASB

Status of Filing in Domicile: Not Filed

Date Approved in Domicile:

Domicile Status Comments:

Market Type: Group

Group Market Size: Large

Group Market Type: Association

Explanation for Other Group Market Type:

State Status Changed: 07/14/2010

Created By: Frank Cripps

Corresponding Filing Tracking Number: CLTR-126718266

SERFF Tracking Number: CLTR-126718696 State: Arkansas  
Filing Company: Presidential Life Insurance Company State Tracking Number: 46188  
Company Tracking Number: GHIC2006UASB  
TOI: H21 Health - Other Sub-TOI: H21.000 Health - Other  
Product Name: Group Hospital Indemnity Coverage  
Project Name/Number: UASB Association Filing (GHIC2006)/GHIC2006UASB

was incorporated under the laws of Missouri on June 1, 2005 as a non-profit corporation. The Articles of Incorporation and By-Laws of the UASB are attached.

This is a national association with members in your state. Accordingly, we are requesting approval of this association and approval to issue the approved Form GHIC2006 AR certificate of insurance to members of the UASB in your state. The only change made to this certificate is the deletion of any references common to an employer group and the incorporation of references common to an association group. The attached certificate redlines show the specific changes made to the approved certificate.

We trust you will find this submission to be complete and acceptable.

Please feel free to contact us should you have any questions.

## Company and Contact

### Filing Contact Information

Frank Cripps, Consultant frank@coulter-and-associates.com  
379 Princeton-Hightstown Rd 609-443-7540 [Phone]  
Cranbury, NJ 08512 609-443-4103 [FAX]

### Filing Company Information

(This filing was made by a third party - coulterandassociatesinc)

Presidential Life Insurance Company	CoCode: 68039	State of Domicile: New York
69 Lydecker Street	Group Code: -99	Company Type:
Nyack, NY 10960	Group Name:	State ID Number:
(800) 926-7599 ext. [Phone]	FEIN Number: 13-2570714	

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## Filing Fees

Fee Required?	Yes
Fee Amount:	\$50.00
Retaliatory?	No
Fee Explanation:	AR fee = \$50.00. The Company's domicile state, NY, does not charge filing fees.
Per Company:	No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Presidential Life Insurance Company	\$50.00	07/13/2010	37921676

SERFF Tracking Number:	CLTR-126718696	State:	Arkansas
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## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
Approved-Closed	Rosalind Minor	07/14/2010	07/14/2010

### Amendments

Schedule	Schedule Item Name	Created By	Created On	Date Submitted
Supporting Document	UASB Financial Information	Frank Cripps	07/13/2010	07/13/2010
Supporting Document	Discretionary Group Questionnaire	Frank Cripps	07/13/2010	07/13/2010

<i>SERFF Tracking Number:</i>	<i>CLTR-126718696</i>	<i>State:</i>	<i>Arkansas</i>
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## Disposition

Disposition Date: 07/14/2010

Implementation Date:

Status: Approved-Closed

Comment:

Rate data does NOT apply to filing.

SERFF Tracking Number: CLTR-126718696 State: Arkansas

Filing Company: Presidential Life Insurance Company State Tracking Number: 46188

Company Tracking Number: GHIC2006UASB

TOI: H21 Health - Other Sub-TOI: H21.000 Health - Other

Product Name: Group Hospital Indemnity Coverage

Project Name/Number: UASB Association Filing (GHIC2006)/GHIC2006UASB

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Flesch Certification	Approved-Closed	Yes
Supporting Document	Application	Approved-Closed	Yes
Supporting Document	Health - Actuarial Justification	Approved-Closed	Yes
Supporting Document	Outline of Coverage	Approved-Closed	Yes
Supporting Document	PPACA Uniform Compliance Summary	Approved-Closed	Yes
Supporting Document	Cover Letter & Authorization to File	Approved-Closed	Yes
Supporting Document	UASB Articles of Incorporation and By-Laws	Approved-Closed	Yes
Supporting Document	Group Policy as Issued to UASB	Approved-Closed	Yes
Supporting Document	Redline	Approved-Closed	Yes
Supporting Document	Discretionary Group Questionnaire	Approved-Closed	Yes
Supporting Document	UASB Financial Information	Approved-Closed	Yes
Form	Certificate of Insurance	Approved-Closed	Yes

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*Company Tracking Number:* GHIC2006UASB  
*TOI:* H21 Health - Other *Sub-TOI:* H21.000 Health - Other  
*Product Name:* Group Hospital Indemnity Coverage  
*Project Name/Number:* UASB Association Filing (GHIC2006)/GHIC2006UASB

**Amendment Letter**

Submitted Date: 07/13/2010

**Comments:**

We forgot to attach financial information. It is now attached.

**Changed Items:**

**Supporting Document Schedule Item Changes:**

**User Added -Name: UASB Financial Information**

Comment:

UASB 2009 Tax Return.pdf

*SERFF Tracking Number:* CLTR-126718696 *State:* Arkansas  
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*Product Name:* Group Hospital Indemnity Coverage  
*Project Name/Number:* UASB Association Filing (GHIC2006)/GHIC2006UASB

**Amendment Letter**

Submitted Date: 07/13/2010

**Comments:**

We forgot to attach the Discretionary Group Questionnaire. It is now attached.

**Changed Items:**

**Supporting Document Schedule Item Changes:**

**User Added -Name: Discretionary Group Questionnaire**

Comment:

AR Discretionary Group Questionnaire.pdf

SERFF Tracking Number: CLTR-126718696 State: Arkansas

Filing Company: Presidential Life Insurance Company State Tracking Number: 46188

Company Tracking Number: GHIC2006UASB

TOI: H21 Health - Other Sub-TOI: H21.000 Health - Other

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## Form Schedule

Lead Form Number: GHIC2006 AR

Schedule Item	Form Number	Form Type	Form Name	Action	Action Specific Data	Readability	Attachment
Approved-Closed 07/14/2010	GHIC2006 AR	Certificate	Certificate of Insurance	Initial		42.200	Form GHIC2006 AR - UASB Certificate (20091211 cc).pdf



# PRESIDENTIAL LIFE INSURANCE COMPANY



69 LYDECKER STREET  
NYACK, NEW YORK 10960  
(800) 926-7599

(called We, Us or Our)

Presidential Life Insurance Company, a stock company herein referred to as We, Us or Our, certifies that the person named in the Certificate Schedule, herein referred to as You, are insured for the benefits described in this certificate. This insurance is subject to the eligibility and effective date requirements of the Group Policy.

Your insurance is effective at 12:01 a.m. Standard Time at the address of the Policyholder on the Certificate Effective Date shown in Your Certificate Schedule.

## THIRTY DAY FREE LOOK

You may cancel the insurance described in this certificate at any time during the 30-day period after You receive this certificate. Mail this certificate with Your written request for cancellation to Our Agent or Us. We will promptly refund the premium paid and the insurance will be void.

## IMPORTANT NOTICE

This certificate is a summary of the Group Policy provisions that affect Your insurance. It is merely evidence of the insurance provided by such policy. The group is a contract between the Policyholder and Us. It may be changed or ended without notice or consent of any Covered Person.

This certificate replaces any certificate previously issued by Us to You under the Group Policy.

The benefits described in this certificate are provided by the Group Policy no. shown on the Schedule, issued to the Policyholder whose name is shown on the Schedule.

Signed for

**PRESIDENTIAL LIFE INSURANCE COMPANY**

Secretary

Chairman of the Board

**GROUP HOSPITAL INDEMNITY CERTIFICATE**  
LIMITED BENEFIT COVERAGE PROVIDING BENEFITS ON AN INDEMNITY BASIS  
READ YOUR CERTIFICATE CAREFULLY

NON-PARTICIPATING

## TABLE OF CONTENTS

### SCHEDULE OF BENEFITS

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### AMENDMENT RIDERS, IF ANY

## SCHEDULE OF BENEFITS

POLICYHOLDER: *United Association of Small Business*      GROUP POLICY NUMBER: [*GHIP12345678*]  
INSURED PERSON: [*John Doe*]      CERTIFICATE EFFECTIVE DATE: [*January 1, 2010*]  
STATE OF JURISDICTION: *Arkansas*  
LIMITING AGE: 65

### HOSPITAL INDEMNITY INSURANCE WITH ANCILLARY BENEFITS

#### HOSPITAL INDEMNITY BENEFITS

Daily In-Hospital Indemnity Benefit (does not include Confinement for Substance Abuse or Mental Illness)

First Day of Confinement	\$[100][1,000][2,000]
Confinement Day 2 through Day 30	\$[100][500][1,000]
Maximum Number of Days Per Calendar Year per Covered Person	30 Days

Daily In-Hospital Indemnity Benefit for Confinement in an Intensive Care Unit (ICU)	\$[400][500][1,000]
Maximum Number of Days Per Calendar Year per Covered Person	15 Days

#### ANCILLARY MEDICAL BENEFITS

**PLAN A** – Scheduled Non-Hospital Medical Benefits with Inside Limits

80% of RBRVS per procedure, diagnosis, service or treatment or the amount shown opposite the Benefit.

Outpatient Surgical Indemnity Benefit – Maximum Benefit per Calendar Year	\$[500][1,000][2,000]
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Inpatient Surgical Indemnity Benefit – Maximum Benefit per Calendar Year	\$[2,000][4,000][8,000]
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Physician Office Visit Indemnity Benefit	
Benefit per Visit	\$[25][50][50]
Maximum number of visits per Covered Person per Calendar Year	[5][5][5]
Maximum number of visits per family per Calendar Year	[30][30][30]

Child Wellness/Preventive Care Benefit Per Visit	
Maximum number of visits per Calendar Year per Covered child	[5][5][5] visits
Maximum benefit per year	\$[0][100][100]

Adult Wellness/Preventive Care Benefit	
Maximum benefit for annual physical	\$[0][100][100]

## SECTION 1 - DEFINITIONS

As used in this Policy, the following definitions apply:

### **Calendar Year.**

The period from January 1 through December 31 of the same year.

### **Certificate.**

The individual certificate issued to You. It describes the coverage under the Policy.

### **Complications of Pregnancy.**

Any condition that requires medical treatment or Hospital confinement prior to or subsequent to the termination of the pregnancy whose diagnosis is distinct from, but is adversely affected by the pregnancy. Such conditions include, but are not limited to: (1) acute nephritis; (2) nephrosis; (3) cardiac decompensation; (4) missed abortion; and, (5) similar conditions of comparable severity. A complication of pregnancy will also include non-elective cesarean section or termination of pregnancy that occurs during a period of gestation when a viable birth is possible. "Complications of Pregnancy" will not include: (1) false labor; (2) occasional spotting; (3) prescribed bed rest; (4) morning Sickness; or, (5) similar conditions that are common to the care of a difficult pregnancy.

### **Confinement or Confined.**

The period of time during which a Covered Person is confined in a Hospital as a resident bed patient. Confinement does not include that period of time during which a Covered Person is in a Hospital emergency room, an observation room, a freestanding surgical facility, or outpatient facility.

### **Contributory.**

You pay all or a portion of the premium for Your insurance and for Your Covered Dependents, if any. The premium that is due and payable by You are shown in the Certificate Schedule. If the Policy is Contributory, this is stated in the group application.

### **Covered Benefits.**

Those services or supplies shown in the Hospital Indemnity and Medical-Surgical Benefit(s), if included in this Policy, that:

- (a) are for necessary treatment and recommended by a Physician;
- (b) are received while the Covered Person is insured under the Policy, subject to any Extension of Benefits; and
- (c) are not excluded under Section 4 of the Policy.

### **Covered Person(s).**

You and Your Dependents who are insured under the Policy.

### **Dependent.**

Your :

- (a) married spouse who lives with You and is under age 65; or
- (b) unmarried natural child, step child, adopted child or a child during the pendency of adoption who is not eligible for insurance as an Insured under the Policy and who:
  - (1) is less than 21 years old and is dependent on You; or
  - (2) is less than 23 and going to an accredited school full time. Such child must be dependent on You for principal support and maintenance; or
  - (3) becomes incapable of self-support because of mental retardation or physical handicap while insured under the Group Policy and prior to reaching the limiting age for dependent children. The child must be dependent on You for support and maintenance. You must provide proof of such incapacity at Your expense at Our request, otherwise insurance will terminate at the limiting age. If proof is provided, then coverage will continue for as long as Your insurance stays in force and the child remains incapacitated. You must notify Us when the dependent child is no longer incapacitated or dependent upon You.
  - (4) is not living with You, but the You are legally required to support such child, and the child would otherwise qualify under (1), (2) or (3) above.

The term Dependent does not include:

- (a) Your grandchild (except where required by law); or
- (b) a child who engages for compensation, profit or gain in any employment or business for 30 or more hours per week, unless such child is a full-time student as described in (b)(2) above.

**Hospital.**

A licensed institution that has on its premises:

- (a) permanent and full-time facilities for the care of overnight resident bed patients under the supervision of a licensed Physician;
- (b) 24-hour-a-day nursing service by graduate registered nurses; and
- (c) the patient's written history and medical records.

It shall also have (or have available on a pre-arranged basis) laboratory, x-ray equipment and operating rooms where major surgical operations may be performed by licensed Physicians, or be accredited by the Joint Commission on Accreditation of Hospitals.

Hospital shall not include any institution or portion thereof used as a place for rehabilitation, rest, the aged, education or training; or a nursing or convalescent home or an extended care facility for the care of convalescent patients.

**Immediate Family.**

The parents, spouse, children, or siblings of a Covered Person, or any person residing with a Covered Person.

**Injury.**

Accidental bodily Injury sustained on or after the Covered Person's Effective Date that causes a loss independent of any other cause. Such accident must occur while this Policy is in force. All injuries to the same Covered Person sustained in any one accident, including all related conditions and recurring symptoms of the Injuries, will be considered one Injury.

**Intensive Care Unit**

A special area in a Hospital that is:

- (a) for the treatment of patients who are in acute and critical condition;
- (b) furnished with emergency life saving equipment and supplies that are immediately at hand;
- (c) staffed 24 hours a day by nurses who are specially trained to work in such special areas; and
- (d) equipped and staffed to monitor each patient's vital signs around-the-clock.

A recovery room, an area primarily for post-operative or post-anesthesia care, is not considered as an Intensive Care Unit.

**Late Enrollee.**

With regard to You, if You enrolls more than 31 days after You are first eligible to enroll, You are considered at Late Enrollee. With regard to Dependents, it means the Dependent who is enrolled for Dependent coverage more than 31 days after such Dependent's initial eligibility period.

**Medically Necessary.**

The services or supplies provided by a Hospital or Physician that are required to identify or treat an Injury or Sickness and which, as determined by Us, are:

- (a) consistent with the symptom or diagnosis and treatment of a Covered Person's condition, Sickness or Injury;
- (b) appropriate with regard to standards of good medical practice;
- (c) not solely for the convenience of a Covered Person, a Physician or other provider; and
- (d) the most appropriate supply or level of service that can be safely provided to the Covered Person.

**Mental Illness.**

Any Sickness, disease or disorder, which is:

- (a) listed in the current edition of the Diagnostic and Statistical Manual of Mental Health Disorders (or any successor diagnostic manual) published by the American Psychiatric Association; and
- (b) usually treated by a mental health provider or other qualified provider, using psychotherapy, psychotropic drugs or other similar methods of Treatment.

Mental Illness includes any such conditions whether or not related to an underlying physical, genetic, chemical, organic or biological cause, although it may be associated with physical symptoms, manifestations or expressions. Specific conditions include, but are not limited to: bipolar disorder; depression and depressive disorders; psychoses; mood disorders; manic-depressive illness; anxiety disorders; stress disorders including post-traumatic stress disorders; somatoform disorders; factitious disorders; eating disorders; adjustment disorders; and personality disorders. However, for purposes of the Policy, Mental Illness does not include mental retardation or Alzheimer's disease and other forms of dementia with an objectifiable organic basis.

**Non-contributory.**

You pay no portion of the premium for Your insurance. If the Policy is Non-Contributory, this is stated in the group application. You are responsible for the premium for Your Covered Dependents.

**Outpatient.**

Services and supplies provided by a Physician to a Covered Person for treatment either outside a Hospital or Skilled Nursing Facility or from an outpatient department of a Hospital or Skilled Nursing Facility or licensed ambulatory surgical center.

**Physician.**

A practitioner of the healing arts who:

- (a) is practicing within the scope of Your license in the state where so licensed; and
- (b) is not a member of the Covered Person's Immediate Family; and
- (c) provides treatment or service covered under the Policy.

**Policy.**

The policy issued to the Policyholder.

**Policyholder.**

The entity named on the face page of the Policy.

**Pre-existing Condition Limitations.**

A condition for which medical treatment was rendered or recommended by a Physician or for which drugs or medicine was prescribed within 12 months prior to a Covered Person's Effective Date. A condition shall no longer be considered a Pre-Existing Condition after the first to occur of:

- (a) the date a Covered Person has been treatment free with respect to such Pre-existing Condition for 12 consecutive months while such person is covered under this Policy; or
- (b) the date a person has been covered under this Policy for 24 consecutive months.

**Resource Based Relative Value System, referred to as RBRVS.**

The methodology used by the federal government to determine benefits payable under Medicare. Medicare assigns a "Relative Value Unit" or RVU to thousands of procedure codes used to bill physician and other services. The total RVU is the sum of three component RVUs including the Work RVU, the Practice Expense RVU and the Malpractice RVU. The Work RVU takes into account factors such as the amount of time required to perform the service and the degree of skill required to perform it. The Practice Expense RVU takes into account the location of the service, e.g., office setting, outpatient setting, etc. The Malpractice RVU takes into account the malpractice cost associated with a particular practice. We will base benefits payable on RBRVS.

**Schedule of Benefits (or Schedule).**

The benefit schedule set forth in the Policy or Certificate.

**Sickness.**

Sickness or disease that is first diagnosed or treated while a Covered Person's insurance is in force, whose Sickness is the basis of claim, and which results in loss covered by this Policy.

**Substance Abuse.**

Alcoholism, or the non-medical use of narcotics, sedatives, stimulants, hallucinogens, or any other such substance, whether or not prescribed by a Physician.

**Total Disability or (Totally Disabled).**

The You are disabled and prevented from performing the material and substantial duties of Your occupation. For Dependents, Totally Disabled means the inability to perform a majority of the normal activities of a person of like age in good health.

**You, Yours.**

Any person who is eligible for insurance and has enrolled for coverage, paid the premium due, and been accepted by Us.

## SECTION 2 - EFFECTIVE DATES

### INSURED PERSONS

#### DATE INSURANCE TAKES EFFECT

You will be insured on the first day of the month following the date that You are eligible, subject to written application on a form acceptable to Us, approval by Us, and payment of the premium either by such person, if Contributory, or by the Policyholder on such person's behalf, if Non-contributory.

#### LATE ENROLLEES

If an eligible person does not enroll when initially eligible, You will be considered a Late Enrollee. You may apply for insurance after the period of eligibility expires but You will have to provide, at Your own expense, satisfactory evidence of good health. Insurance will become effective on the date We approve the application, subject to timely payment of premium.

**Change in Family Status:** If a person is a Late Enrollee, We will not require satisfactory evidence of good health if an employee makes request for coverage due to a Family Status Change. To qualify, You must enroll for coverage and provide proof of the Family Status Change within 31 days after the date of change.

The qualifying Family Status Changes acceptable to Us and the satisfactory evidence of good health required for each change are listed below.

Family Status Changes	Acceptable Proof
Birth of a child	Birth certificate
Adoption of a child	Adoption papers
Death of a spouse	Death certificate
Divorce	Divorce decree
Marriage	Marriage certificate
Spouse's loss of a job	Separation papers from spouse's employer

### DEPENDENTS

#### DATE PERSONS ARE ELIGIBLE FOR INSURANCE

If Dependent coverage is available under the Policy, each Dependent will be eligible for such coverage on the latest of the following dates:

- (a) the day You become eligible for insurance; or
- (b) the day You acquire Your first Dependent.

If both husband and wife are eligible for coverage under the Policy and have no Dependent children, the husband and wife may only elect individual coverage. If both husband and wife are eligible for coverage under the Policy and they have Dependent child(ren), either spouse, but not both, may elect Dependent coverage.

Dependent coverage may be elected by completing and signing an application within 31 days (90 days for a newborn and 60 days for an adopted child) of the date the Dependent becomes eligible; [and

The Effective Date of coverage for each eligible Dependent will be the first day of the month following Our:

- (a) acceptance of the application; and
- (b) receipt of the first premium.

However, if on such date the coverage for the eligible member has not yet taken effect, the effective date for Dependent coverage will be the same as the effective date for You.

A newborn child will become insured for the Hospital Indemnity Benefits automatically on the day You are born as long as the Your coverage was in force on that date. Coverage includes prematurity, congenital defects and birth abnormalities. The newborn child's coverage will not continue past the 90 day period following birth unless:

- (a) We are notified by the end of that 90-day period of the addition of such newborn child; and
- (b) any applicable additional premium is paid.

An adopted child who has not attained 18 years of age, will become insured for Injury and Sickness automatically as of the date of adoption or placement for adoption as long as Your insurance is in force. Placement for adoption means the assumption and retention by a person of legal obligation for total or partial support of a child in anticipation of the child's adoption. Coverage for an adopted child will not continue past the 60-day period following birth unless:

- (a) We are notified by the end of the 60-day period of the addition of such adopted child; and
- (b) any applicable additional premium is paid.

In all other instances if a Dependent is Totally Disabled on the date coverage (with respect to that particular Dependent) would otherwise take effect, the coverage of the Dependent will be deferred until the first of the month following the Dependent's cessation of Total Disability.

#### **DEFERRED EFFECTIVE DATE**

If an eligible person, except for a newborn child, is hospitalized on the date Your insurance under this Policy is otherwise to take effect, such insurance will take effect on the day after such person is discharged.

#### **LATE ENROLLEES**

If You do not enroll eligible Dependents when initially eligible, the Dependents are considered Late Enrollees. You may apply for insurance for such Dependents after the period of eligibility expires will have to provide, at Your own expense, satisfactory evidence of good health for each dependent. Insurance will become effective on the date We approve the application, subject to timely payment of premium. This provision does not apply to Dependents who become eligible due to a Change in Family Status, described above



## **SECTION 3 – BENEFIT PROVISIONS**

### **HOSPITAL INDEMNITY INSURANCE**

Subject to all of the terms and provisions of the Policy, We will pay Covered Benefits as shown in the Schedule for one or more of the following:

#### **Daily In-Hospital Indemnity Benefit**

We will pay the Daily In-Hospital Indemnity Benefit shown in the Schedule for each day a Covered Person is Confined in a Hospital as a result of Injury or Sickness except for Mental Illness or Substance Abuse. Benefits are payable for the period such person is so confined and receiving medical care and regular attendance of a Physician. The period of payment shall not exceed the number of days shown in the Schedule for all Injury and Sickness during a Calendar Year.

#### **Daily In-Hospital Indemnity Benefit for Intensive Care Unit**

We will pay the Daily In-Hospital Indemnity Benefit shown in the Schedule for each day a Covered Person is Confined in an Intensive Care Unit (ICU) as a result of Injury or Sickness except for Mental Illness or Substance Abuse. Benefits are payable for the period such person is so confined and receiving medical care and regular attendance of a Physician. The period of payment shall not exceed the number of days shown in the Schedule for all Injury and Sickness during a Calendar Year.

### **PLAN A – SCHEDULED NON-HOSPITAL MEDICAL BENEFITS WITH INSIDE LIMITS**

Benefit payments are based on a percentage of the Resource Based Relative Value System (RBRVS) adopted by Medicare. The maximum benefit payable for each of the following benefits is shown in the Schedule.

#### **Surgical Indemnity Benefit**

If a Covered Person has a covered surgery performed while Confined in a Hospital or on an Outpatient basis, We will pay the Surgical Indemnity Benefit amount. The percent for RBRVS and benefit maximum are shown in the Schedule.

If two or more procedures are performed through the same incision or operative field, payment will be made only for the procedure of the larger benefit. If more than one procedure is performed but each through separate incisions or in a separate operative field, the amount payable shall be the specified amount for the primary procedure plus 50% of the amount payable for all other surgical procedures performed.

#### **Physician Office Visit Indemnity Benefit**

We will pay the Physician Office Visit Indemnity Benefit, as shown in the Schedule, for a Physician office visit as a result of Sickness or Injury. The visit must be made to the Physician's office or clinic. It is not payable for a surgeon's visit in a Hospital following surgery. The benefit will not exceed the Maximum Number of Office Visits per Calendar Year, as shown in the Schedule. The percent for RBRVS and benefit maximum are shown in the Schedule.

#### **Child Wellness /Preventive Care Benefit**

We will pay the Wellness/Preventive Care Benefit, as shown in the Schedule, when a Covered child visits a Physician for a well checkup. We will pay the amount shown in the Schedule for each visit up to the maximum number of visits shown in the Schedule. The percent for RBRVS and benefit maximum are shown in the Schedule.

#### **Adult Wellness /Preventive Care Benefit**

We will pay the Wellness/Preventive Care Benefit, as shown in the Schedule, when a Covered adult visits a Physician for a well checkup. We will pay the amount shown in the Schedule for one wellness annual physical visit per Calendar Year. The percent for RBRVS and benefit maximum are shown in the Schedule.

#### SECTION 4 - EXCLUSIONS AND LIMITATIONS

With respect to all of the benefits provided under the Policy, no benefits will be payable as the result of:

- (a) suicide or any attempt thereat, while sane or insane.
- (b) any intentionally self-inflicted injury or Sickness;
- (c) rest care or rehabilitative care and treatment;
- (d) cosmetic surgery or care or treatment solely for cosmetic purposes, or complications therefrom. This exclusion does not apply to cosmetic surgery resulting from an Injury if initial treatment of the Covered Person is begun within 12 months of the date of the Accident;
- (e) immunization shots and routine examinations such as: health exams; periodic check-ups; pre-marital exams; and routine physicals, except as otherwise covered under the Policy;
- (f) routine newborn care, including routine nursery charges;
- (g) voluntary abortion, except with respect to You or covered Dependent spouse where such person's life would be endangered if the fetus were carried to term or where medical complications have arisen from an abortion;
- (h) pregnancy of a Dependent child, unless required by law;
- (i) a Covered Person's participation in a riot, civil commotion, civil disobedience, or unlawful assembly. This does not include a loss which occurs while acting in a lawful manner within the scope of authority;
- (j) a Covered Person committing, attempting to commit, or taking part in a felony, or engaging in an illegal occupation;
- (k) a Covered Person's participation in a contest of speed in power driven vehicles, parachuting, parasailing, bungee-jumping, or hang gliding;
- (l) air travel, except:
  - (1) as a fare-paying passenger on a commercial airline on a regularly scheduled route; or
  - (2) as a passenger for transportation only and not as a pilot or crew member;
- (m) any Accident occurring as a result of the Covered Person being intoxicated (where the blood alcohol content meets the legal presumption of intoxication under the law of the state where the Accident took place);
- (n) sex changes;
- (o) experimental treatments or surgery;
- (p) the reversal of tubal ligation and vasectomies;
- (q) artificial insemination, in vitro fertilization, and test tube fertilization, including any related testing, medications, or Physician's services, unless required by law;
- (r) treatment of exogenous obesity or weight control;
- (s) an act of war, whether declared or undeclared, or while performing police duty as a member of any military or naval organization. This exclusion includes Injury sustained or Sickness contracted while in the service of any military, naval or air force of any country engaged in war. We will refund the pro rata unearned premium for any such period the Covered Person is not covered;
- (t) Injury or sickness arising out of and in the course of any occupation for compensation, wage or profit. Expenses which are payable under Occupational Disease Law or similar law, whether or not application for such benefits have been made; and
- (u) Pre-Existing Conditions.

In addition to the Exclusions and Limitations for all coverages, the following are not covered under the Physician Office Visit Indemnity Benefit:

- (a) visits made, examinations given, or x-rays or laboratory tests performed as an in-patient while Confined to a Hospital;
- (b) routine eye examinations or fitting of glasses;
- (c) fitting of hearing aids;
- (d) dental examinations or dental care other than expenses resulting from accidental injury; and
- (e) benefits that are provided under any other part of the Policy.

## SECTION 5 – TERMINATION OF INSURANCE

**TERMINATION OF A COVERED PERSON'S INSURANCE:** Your insurance will cease on the earliest of:

- (a) the first day of the month following the date You cease to be a member of a class eligible for coverage as shown in the group application;
- (b) the end of the last period for which premium payment has been made to Us, subject to the Grace Period;
- (c) the first day of the month following the date the Covered Person attains the Limiting Age shown in the Schedule; or
- (d) the date the Policy terminates.

The insurance on a Dependent will cease on the earliest of:

- (a) the date Your coverage terminates;
- (b) the Covered Person attains the limiting age for eligibility;
- (c) the end of the last period for which premium payment has been made to Us, subject to the Grace Period;
- (d) the date the Dependent no longer meets the definition of Dependent, as defined in the Policy; or
- (e) the date the Policy is modified so as to exclude Dependent coverage.

We shall have the right to terminate the coverage of any Covered Person who submits a fraudulent claim under the Policy.

**EXTENSION OF BENEFITS:** Whenever termination of coverage under this section occurs because of termination of the Your eligibility, such termination shall be without prejudice to:

- (a) any Hospital Confinement which commenced while the Policy was in force, with respect to In-Hospital Indemnity Benefits; or
- (b) any covered treatment or service for which benefits would be provided under the Hospital Indemnity Benefits of the Policy and which commenced while the Policy was in force; provided; however, that the Covered Person is and continues to be Hospital Confined or Totally Disabled. Such Extension of Benefits shall continue for up to 90 days.

## SECTION 6 – PREMIUMS

All premiums are payable on or before the date they are due. Premiums are payable by a mode of payment that has been agreed upon between the Policyholder and Us. The premiums are shown in the Schedule.

## SECTION 7 – CERTIFICATE PROVISIONS

**TIME LIMIT ON CERTAIN DEFENSES:** If You made a misstatement on the enrollment form, We may not use it to void insurance under this Policy or to deny a claim for loss incurred after 2 years from the Covered Person's effective date. However, if the misstatement was fraudulent, there is no time limit. If You request an increase in benefits, a new 2 year time limit period will apply to the increase in benefits only.

**GRACE PERIOD:** If You do not pay a renewal premium when due, You still has a 31-day grace period to pay. During the grace period the insurance will stay in force. No Grace Period is provided when, prior to the end of the grace period, the Policyholder has given Us notice of its intent to terminate the Policy. In addition, there is no grace period if Our Agent or We deliver or mail to the Policyholder, at least 60 days before the premium due date, a notice of Our intent to not renew the Policy.

**NOTICE OF CLAIM:** Written notice of claim must be given to Us at Our home office or to Our authorized Agent. Such notice should be made within 30 days after any loss covered by the Policy. If it is not reasonably possible to give notice within that time, the claim may not be denied or reduced due to the delay. Notice give by or on behalf of the claimant to Us or to any authorized Agent with information sufficient to identify the Covered Person shall be deemed notice to Us.

**CLAIM FORMS:** We, upon receipt of a notice of claim, will furnish to the claimant such forms as are usually furnished by it for filing proofs of loss. If such forms are not furnished within 15 days after the giving of such notice, the claimant shall be deemed to have complied with the requirements of this Policy as to proof of loss upon submitting, within the time fixed in the Policy for filing proofs of loss, written proof covering the occurrence, the character and the extent of the loss for which claim is made.

**PROOFS OF LOSS:** Written proof of loss must be furnished to Us at Our said office within 90 days after the date of such loss. Failure to furnish such proof within the time required shall not invalidate nor reduce any claim if it was not reasonably possible to give proof within such time, provided such proof is furnished as soon as reasonably possible and in no event, except in the absence of legal capacity, later than one year from the time proof is otherwise required.

**TIME OF PAYMENT OF CLAIM:** Indemnities payable under this Policy for any loss will be paid immediately upon receipt of due written proof of such loss.

**PAYMENT OF BENEFITS:** Loss of life benefits are payable in accordance with the beneficiary designation in effect at the time of payment. If none is then in effect, the benefits will be paid to the Your estate. Any accrued benefits unpaid at death may be paid, at Our option, either to Your beneficiary or estate. All other benefits will be paid to You. If benefits are payable to the Your estate or to a beneficiary who cannot execute a valid release, We may pay benefits up to \$1,000 to someone related to You or Your beneficiary by blood or marriage whom is considered to be entitled to the benefits. We will be discharged to the extent of any such payment made in good faith.

**ASSIGNMENT, CHANGE OF BENEFICIARY:** Health Indemnity Benefits may be assigned to the provider(s) of such benefits. You may change the beneficiary under this Policy by giving Us written notice to its Home Office or to Our Agent. The change or assignment will not be effective until We receive the written notice. The beneficiary's consent is not required to make any change in this Policy or to surrender or assign this Policy unless You named an irrevocable beneficiary and expressly stated that it could not be changed. We assume no responsibility for the validity of any assignment. If this insurance replaced group insurance that was in effect with another insurance company, We will use the beneficiary designation in effect under such prior plan, unless changed by You according to this Policy.

**PHYSICAL EXAMINATION AND AUTOPSY:** We have the right to have a Covered Person examined by a Physician of Our choice as often as reasonably necessary while a claim is pending. We will pay for such examination. In case of death, We may request an autopsy where it is not forbidden by law. These will be done at Our expense.

**LEGAL ACTIONS:** No action at law or in equity shall be brought to recover on this Policy prior to the expiration of sixty day after written proof of loss has been furnished in accordance with the requirements of this Policy. No action shall be brought after the expiration of 3 years after the time written proof of loss is required to be furnished.

**MISSTATEMENT OF AGE:** If the age of any Covered Person is incorrectly stated, the amount of benefits payable will be the amount shown on the Schedule. The premium will be adjusted so that We will be paid any amount due based on such Covered Person's true age.

SERFF Tracking Number:	CLTR-126718696	State:	Arkansas
Filing Company:	Presidential Life Insurance Company	State Tracking Number:	46188
Company Tracking Number:	GHIC2006UASB		
TOI:	H21 Health - Other	Sub-TOI:	H21.000 Health - Other
Product Name:	Group Hospital Indemnity Coverage		
Project Name/Number:	UASB Association Filing (GHIC2006)/GHIC2006UASB		

## Supporting Document Schedules

	Item Status:	Status Date:
<b>Satisfied - Item:</b> Flesch Certification <b>Comments:</b> <b>Attachment:</b> AR Flesch Certification (GHIC2006).pdf	Approved-Closed	07/14/2010

	Item Status:	Status Date:
<b>Bypassed - Item:</b> Application <b>Bypass Reason:</b> N/A - association/certificate only filing. <b>Comments:</b>	Approved-Closed	07/14/2010

	Item Status:	Status Date:
<b>Bypassed - Item:</b> Health - Actuarial Justification <b>Bypass Reason:</b> N/A - forms only filing <b>Comments:</b>	Approved-Closed	07/14/2010

	Item Status:	Status Date:
<b>Bypassed - Item:</b> Outline of Coverage <b>Bypass Reason:</b> N/A - group forms filing. <b>Comments:</b>	Approved-Closed	07/14/2010

	Item Status:	Status Date:
<b>Bypassed - Item:</b> PPACA Uniform Compliance Summary <b>Bypass Reason:</b> N/A - PPACA compliance does not apply. <b>Comments:</b>	Approved-Closed	07/14/2010

SERFF Tracking Number:	CLTR-126718696	State:	Arkansas
Filing Company:	Presidential Life Insurance Company	State Tracking Number:	46188
Company Tracking Number:	GHIC2006UASB		
TOI:	H21 Health - Other	Sub-TOI:	H21.000 Health - Other
Product Name:	Group Hospital Indemnity Coverage		
Project Name/Number:	UASB Association Filing (GHIC2006)/GHIC2006UASB		

	Item Status:	Status Date:
<b>Satisfied - Item:</b> Cover Letter & Authorization to File <b>Comments:</b> <b>Attachments:</b> 20091130 AR UASB Submission Letter (GHIC2006).pdf AR Authorization Letter.pdf	Approved-Closed	07/14/2010

	Item Status:	Status Date:
<b>Satisfied - Item:</b> UASB Articles of Incorporation and By-Laws <b>Comments:</b> <b>Attachments:</b> UASB Articles of Incorporation.pdf UASB By-Laws.pdf	Approved-Closed	07/14/2010

	Item Status:	Status Date:
<b>Satisfied - Item:</b> Group Policy as Issued to UASB <b>Comments:</b> <b>Attachment:</b> UASB Master Policy 111109 GHIP2006SC.pdf	Approved-Closed	07/14/2010

	Item Status:	Status Date:
<b>Satisfied - Item:</b> Redline <b>Comments:</b> <b>Attachment:</b> Form GHIC2006 AR - UASB Certificate (20091211 redline).pdf	Approved-Closed	07/14/2010

	Item Status:	Status Date:
<b>Satisfied - Item:</b> Discretionary Group Questionnaire	Approved-Closed	07/14/2010

SERFF Tracking Number: CLTR-126718696 State: Arkansas  
Filing Company: Presidential Life Insurance Company State Tracking Number: 46188  
Company Tracking Number: GHIC2006UASB  
TOI: H21 Health - Other Sub-TOI: H21.000 Health - Other  
Product Name: Group Hospital Indemnity Coverage  
Project Name/Number: UASB Association Filing (GHIC2006)/GHIC2006UASB

**Comments:**

**Attachment:**

AR Discretionary Group Questionnaire.pdf

	Item Status:	Status Date:
<b>Satisfied - Item:</b> UASB Financial Information	Approved-Closed	07/14/2010
<b>Comments:</b>		
<b>Attachment:</b>		
UASB 2009 Tax Return.pdf		

# PRESIDENTIAL LIFE INSURANCE COMPANY



NYACK, NEW YORK 10960-2199  
(914) 358-2300

## FLESCH CERTIFICATION

I, Donald Barnes, President, Presidential Life Insurance Company, certify that the forms listed below satisfy the standards of life and health insurance policy language simplification legislation. The forms were scored in their entirety.

Form Title	Form Number	Flesch Score
Certificate	GHIC-2006 AR	42.2

Signature:

A handwritten signature in black ink, appearing to read "Donald Barnes", written over a light blue rectangular background.

Title: President

Date: July 12, 2010





Frank D. Cripps  
Contract and Compliance Consultant

379 Princeton-Hightstown Rd.  
Cranbury, NJ 08512  
Phone: 609-443-7540  
Fax: 609-443-4103  
Email: frank@coulter-and-associates.com

July 13, 2009

Arkansas Department of Insurance  
Via SERFF

ATTN: Life and Health Division

RE: Presidential Life Insurance Company • NAIC #68039 • FEIN 13-2570714  
Group Insurance Form GHIC-2006 AR (Approved 09/27/2006)  
United Association of Small Business, Inc.  
• Articles of Incorporation  
• By-Laws  
Authorization to File  
Readability Certification

Dear Sir or Madam:

On July 31, 2006, the Arkansas Department Approved for use policy Form GHIP2006 AR and related forms.

Presidential Life has issued group policy Form GHIP2006 to the United Association of Small Business ("UASB"). Attached please find a copy of the group policy as issued to the UASB for your reference and information. The UASB was incorporated under the laws of Missouri on June 1, 2005 as a non-profit corporation. The Articles of Incorporation and By-Laws of the UASB are attached.

This is a national association with members in your state. Accordingly, we are requesting approval of this association and approval to issue the approved Form GHIC-2006 AR certificate of insurance to members of the UASB in your state. The only change made to this certificate is the deletion of any references common to an employer group and the incorporation of references common to an association group. The attached certificate redlines show the specific changes made to the approved certificate.

We trust you will find this submission to be complete and acceptable.

Please feel free to contact us should you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'Frank D. Cripps', written in a cursive style.

Frank D. Cripps, Consultant

FDC/c  
Enclosures

# PRESIDENTIAL LIFE INSURANCE COMPANY



69 LYDECKER STREET  
NYACK, NEW YORK 10960  
(800) 926-7599


## MEMORANDUM

**DATE:** July 12, 2010  
**TO:** State Insurance Departments  
**FROM:** Donald L. Barnes, President  
**RE:** Authorization to File Forms and Rates

### TO WHOM IT MAY CONCERN:

This Memo is to certify that Coulter & Associates, Inc of 379 Princeton-Hightstown Road, Cranbury, New Jersey, and Frank D. Cripps in particular, is hereby authorized to file forms and rates on behalf of this Company.

Sincerely,

  
President



# STATE OF MISSOURI



Robin Carnahan  
Secretary of State

CERTIFICATE OF AMENDMENT  
OF A  
MISSOURI NONPROFIT CORPORATION

WHEREAS,

*United Association of Small Business  
N00063811*

Formerly,

*AMERICAN HEALTH CARE ASSOCIATION*

a corporation organized under The Missouri Nonprofit Corporation Law has delivered to me its Articles of Amendment of its Articles of Incorporation and has in all respects complied with the requirements of law governing the Amendment of Articles of Incorporation under The Missouri Nonprofit Corporation Law, and that the Articles of Incorporation of said corporation are amended in accordance therewith.

IN TESTIMONY WHEREOF, I have set  
my hand and imprinted the GREAT SEAL  
of the State of Missouri, on this, the 1st day  
of June, 2005.

*Robin Carnahan*  
Secretary of State





# State of Missouri

Robin Carnahan, Secretary of State

Corporations Division  
P.O. Box 778 / 600 W. Main Street, Rm 322  
Jefferson City, MO 65102

File Number: 200515321101  
N00063811  
Date Filed: 06/01/2005  
Robin Carnahan  
Secretary of State

## Articles of Amendment for a Nonprofit Corporation

(Submit with filing fee of \$10.00)

The undersigned corporation, for the purpose of amending its articles of incorporation, hereby executes the following articles of amendment:

- (1) The name of corporation is: American Health Care Association
- (2) The amendment was adopted on 5/4/2005 and changed article(s) I to state as follows:  
*month/day/year*  
The name is: United Association of Small Business

- (3) If approval of members was not required, and the amendment(s) was approved by a sufficient vote of the board of directors or incorporators, check here and skip to number (5): ☒

- (4) If approval by members was required, check here and provide the following information: \_\_\_\_\_

A. Number of memberships outstanding: \_\_\_\_\_

B. Complete either i or ii:

C. Number of votes for and against the amendments(s) by class was:

Class:	Number entitled to vote:	Number voting for:	Number voting against:
_____	_____	_____	_____
_____	_____	_____	_____

Please see next page

Name and address to return filed document:

Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
City, State, and Zip Code: \_\_\_\_\_

State of Missouri  
Amend/Restate - NonProfit 2 Page(s)



T0515213572

16:05 MAY 26, 2005

#0560 PAGE: 3/3

Number of undisputed votes cast for the amendment(s) was sufficient for approval, and was:

Class: Number Voting undisputed:

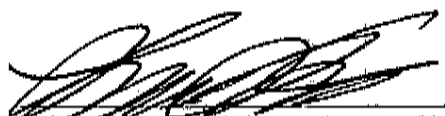
_____	_____
_____	_____
_____	_____

The number of votes cast in favor of the amendment(s) by each class was sufficient for approval by that class.

- (5) If approval of the amendment(s) by some person(s) other than the members, the board or the incorporators was required pursuant to section 355.606, check here to indicate that approval was obtained: X

In Affirmation thereof, the facts stated above are true and correct:

(The undersigned understands that false statements made in this filing are subject to the penalties provided under Section 575.040, RSMo)

  
Authorized signature of officer or chairman of the board

LAWRENCE GILLET  
Printed Name

VP  
Title

5-26-05  
Date

No. N00063811

## STATE OF MISSOURI



Matt Blunt  
Secretary of State

CORPORATION DIVISION  
CERTIFICATE OF AMENDMENT  
OF A  
MISSOURI NONPROFIT CORPORATION

WHEREAS,

AMERICAN HEALTH CARE ASSOCIATION

Formerly,

AMERICAN INTERNET ASSOCIATION

a corporation organized under The Missouri Nonprofit Corporation Law has delivered to me duplicate originals of Articles of Amendment of its Articles of Incorporation and has in all respects complied with requirements of law governing the amendment of Articles of Incorporation under The Missouri Nonprofit Corporation Law, and that the Articles of Incorporation of said corporation are amended in accordance therewith.

IN TESTIMONY WHEREOF, I have set my hand and imprinted the GREAT SEAL of the State of Missouri, on this, the 30th day of SEPTEMBER, 2002.

A handwritten signature of Matt Blunt in black ink, written over a horizontal line.

Secretary of State

\$10.00





State of Missouri

Matt Blunt, Secretary of State

Corporations Division  
P.O. Box 778, Jefferson City, MO 65102

James C. Kirkpatrick State Information Center  
600 W. Main Street, Rm 322, Jefferson City, MO 65101

FILED

### Articles of Amendment for a Nonprofit Corporation

(Submit in duplicate with filing fee of \$10.00)

SEP 3 0 2002

The undersigned corporation, for the purpose of amending its articles of incorporation, hereby executes the following articles of amendment:

(1) The name of corporation is: American Internet Association

(2) The amendment was adopted on 9/27/02 and changed article(s) 1, 6, + 8 to state as follows:  
month/day/year

Article number One (1) is amended to read as follows: The name of the corporation is  
American Health Care Association

Article number Six (6) is amended to indicate that the corporation has members.

Article number Eight (8) is amended as follows: See Attached.

(3) If approval of members was not required, and the amendment(s) was approved by a sufficient vote of the board of directors or incorporators, check here and skip to number (5): ☒

(4) If approval by members was required, check here and provide the following information: \_\_\_\_\_

- A. Number of memberships outstanding: \_\_\_\_\_  
B. Complete either i or ii:

i. Number of votes for and against the amendments(s) by class was:

Class:	Number entitled to vote:	Number voting for:	Number voting against:
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

ii. Number of undisputed votes cast for the amendment(s) was sufficient for approval, and was:

Class:	Number Voting undisputed:
_____	_____
_____	_____
_____	_____

The number of votes cast in favor of the amendment(s) by each class was sufficient for approval by that class.

(5) If approval of the amendment(s) by some person(s) other than the members, the board or the incorporators was required pursuant to section 355.606, check here to indicate that approval was obtained: \_\_\_\_\_

In affirmation of the facts stated above,

Karen Boeber  
authorized signature of officer or chairman of the board

Karen Boeber Secretary  
(Printed Name) (Title)

9/27/02  
(Date)



The purpose or purposes for which the Corporation is organized are:

To enhance the quality of life for members by offering or providing educational information, access to goods, services and discount benefits by using the buying power of all members. To exercise all the powers conferred upon corporations formed under the Missouri Not-For-Profit Corporation Act.

FILED

SEP 30 2002

*Matt Blum*  
SECRETARY OF STATE

No. N00063811

# STATE OF MISSOURI



**Rebecca McDowell Cook**  
**Secretary of State**

CORPORATION DIVISION

CERTIFICATE OF INCORPORATION

MISSOURI NONPROFIT

WHEREAS, duplicate originals of Articles of Incorporation of  
AMERICAN INTERNET ASSOCIATION

have been received and filed in the office of the Secretary of  
State, which Articles, in all respects, comply with the  
requirements of Missouri Nonprofit Corporation Law;

NOW, THEREFORE, I, REBECCA McDOWELL COOK, Secretary of State  
of the State of Missouri, by virtue of the authority vested in  
me by law, do hereby certify and declare this entity a body  
corporate, duly organized this date and that it is entitled to  
all rights and privileges granted corporations organized under  
the Missouri Nonprofit Corporation Law.

IN TESTIMONY WHEREOF, I have set my  
hand and imprinted the GREAT SEAL of  
the State of Missouri, on this, the  
31st day of MARCH, 2000.

*Rebecca McDowell Cook*  
Secretary of State

\$25.00





**State of Missouri**  
**Rebecca McDowell Cook, Secretary of State**  
 P. O. Box 778, Jefferson City, MO 65102  
 Corporation Division

## Articles of Incorporation of a Nonprofit Corporation

(To be submitted in duplicate with a filing fee of \$25)

The undersigned natural person(s) of the age of eighteen years or more for the purpose of forming a corporation under the Nonprofit Corporation Law of Missouri adopt the following Articles of Incorporation:

- (1) The name of the corporation is American Internet Association
- (2) This corporation is a Mutual Benefit Corporation.  
(Public or Mutual)
- (3) The period of duration of the corporation is "Perpetual"  
("Perpetual" unless stated otherwise)
- (4) The name and street address of the Registered Agent and Registered Office in Missouri is:  
Karen Becker-1819 Clarkson Rd. Ste 301, Chesterfield, MO 63017  
Name Address City/State/Zip
- (5) The name(s) and address(es) of each incorporator:  
Dale Turvey-116601 Kehrsgrrove, Chesterfield MO 63025  
Monica Roy-15990 Wetherburn, Chesterfield MO 63017  
Gary Johnston-2544 Christopher Oaks Ct. St. Louis MO 63129
- (6) Does the corporation have members? YES ☐ NO ☒
- (7) Provisions not inconsistent with law regarding the distribution of assets on dissolution In accordance with Sections 355.662 through 355.746.  
assets would be distributed to another mutual benefit corporation.
- (8) The corporation is formed for the following purpose(s): See Attached
- (9) The effective date of this document is the date it is filed by the Secretary of State of Missouri, unless you indicate a future date, as follows: \_\_\_\_\_  
(Date may not be more than 90 days after the filing date in this office.)

In affirmation of the facts stated above,

Signed by Incorporator(s):

Monica Roy  
[Signature]

Corp. #52 (6-95)

FILED AND CERTIFICATE OF  
 INCORPORATION ISSUED

MAR 3 1 2009

The purpose or purposes for which the corporation is being formed is:

To promote the common interests of American Internet users; to consider and deal by all lawful means with common problems with the Internet; and to help Internet users take advantage of the mass purchasing power and other benefit enhancements of other organizations.

To exercise all the powers conferred upon corporations formed under Missouri Not-For-Profit Corporation Act.

FILED AND CERTIFICATE OF  
INCORPORATION ISSUED

MAR 3 1 2000

**BYLAWS  
OF  
UNITED ASSOCIATION OF SMALL BUSINESS**

**ARTICLE 1.  
PURPOSES AND POWERS**

**1.01 Purposes.** The corporation is organized to enhance the quality of life for members by offering or providing educational information, access to goods, services and discount benefits by using the buying power of all members and for any lawful purpose or purposes as set forth in its Articles of Incorporation or any amendments thereto.

**1.02 Mission.** The mission of the corporation, in keeping with its general purposes, is: (a) the fostering and promoting of education and research concerning the advantages and availability of suitable discounted medical, medically related, non-medical and other benefit and service programs in respect of its members; (b) the collection and dissemination of statistics and other relevant and reliable information, facts and data concerning the benefits, medical issues and other related matters; (c) the location and determination of suitable and appropriate benefits, medical and other related products and services needed and desired by members at efficient and reasonable costs; and (d) the providing of emails, internet websites, media, newsletters, conferences, meetings, seminars, forums and other means of effective communication to members and others concerning the purposes of the corporation.

**1.03 Powers.** The corporation shall possess all powers which a corporation may have under the Missouri Not-for-Profit Corporation Act, as the same may from time to time be amended.

**1.04 Bylaws.** These bylaws shall govern and control the internal corporate affairs of the corporation and guide the officers, directors and members of the corporation in their efforts to promote the business and objectives of the corporation.

**ARTICLE 2.  
PRINCIPAL OFFICE; REGISTERED OFFICE AND AGENT**

**2.01 Principal Office.** The principal office in the State of Missouri shall be at such place as the board of directors may from time to time designate by duly adopted resolution. The corporation may also have an office or offices at such other place or places within or without the State of Missouri as the board of directors may from time to time designate or the business of the corporation requires.

**2.02 Registered Office.** The corporation shall have and continuously maintain in Missouri a registered office which may be, but need not be, the same as its principal office. The address of the registered office will be identical with the office of the registered agent of the corporation. Such office will be continuously maintained within Missouri for the duration of the corporation. The board of directors may from time to time change the address of its registered office by duly adopted resolution and submission of the appropriate forms to the Office of the Secretary of State.

**2.03 Registered Agent.** The corporation shall have and continuously maintain in Missouri a registered agent, which agent may be an individual resident in Missouri whose business office is identical with such registered office, or a domestic corporation, whether for profit or not for profit, or a foreign corporation for profit or not for profit, authorized to transact business or to conduct its affairs in Missouri which has a business office identical with such registered office.

**2.04 Change of Registered Office or Agent.** The corporation may change its registered office or change its registered agent, or both, upon filing in the office of the Secretary of State a statement setting forth such change. The change shall be authorized by the board of directors or by an officer so authorized by the board of directors. The registered agent shall be agent of the corporation upon whom any process, notice or demand required or permitted by law to be served on the corporation may be served.

**2.05 Resignation of Registered Agent.** Any registered agent may resign; however, the corporation will not recognize the resignation of any registered agent appointed by it, or the discontinuance of any registered office, unless it receives a copy of such agent's resignation, or discontinuance of the registered office, as sent to the Office of the Secretary of State, such copy to be delivered or sent to the corporation registered or certified mail, addressed to the Principal Office of the corporation and directed to the attention of the secretary of the corporation. A copy of such notice shall be delivered or mailed no later than the date of filing of the statement with the Office of the Secretary of State; and such statement of resignation, or discontinuance of the registered office, shall be effective on the earlier of the filing by the corporation of an amendment to its annual registration statement designating a new registered agent, or registered office if discontinued, or the thirty-first (31<sup>st</sup>) day after the date on which the statement is filed.

### **ARTICLE 3. MEMBERS**

**3.01 Qualification.** Membership in the corporation shall be open to any individual consumer who is a United States citizen or has a lawful permanent residence in the United States ("Green Card"), is at least eighteen (18) years of age and has a valid Social Security Number. A member must also meet the qualifications of any class of membership. Members shall further have a shared or common interest in having a need for the education, benefits, products and/or services offered by the corporation and must subscribe to the purposes, principles and objectives of the corporation. A spouse and/or dependents of an active member may also be eligible for optional family membership benefits through the active member. The definition of "dependents" shall be set forth in the terms and conditions of the membership application or as determined by applicable state law.

**3.02 Application and Admission.** Application for membership shall be made in writing, by electronic message confirmation or by telephonic recording and shall contain such information as the corporation may require. Each application shall be accompanied by an application or activation fee and monthly dues in amounts to be determined by the board of directors. A refund policy shall also be determined by the board of directors in accordance with these bylaws and any applicable law.

**3.03 Classes of Members.** The corporation shall have the following class or classes of members, to-wit: (1) Individual Members.

The designation of a class of members and the qualifications and rights of the members of each class may be changed at any time by the board of directors by amending the bylaws or as otherwise required by law. Divisions within each class of members may be created or changed at any time by resolution of the board of directors or as otherwise required by law. Programs, services or benefit packages offered through membership in any of these categories, divisions, or sub-divisions may vary or change at any time as determined by the officers of the Association. Nothing shall be construed as to

create any employer-employee relationship between the Association and any member.

**3.04 Active Member.** Any member who is not in default in the payment of dues for a period of one (1) month or more from the beginning of the period for which such dues become payable shall be an active member and shall be entitled to all of the rights, privileges and benefits provided to such members as so determined by the board of directors.

**3.05 Certificates or Cards Evidencing Membership.** The board of directors by duly adopted resolution may, but is not required, to provide for the issuance of certificates or cards evidencing membership in the corporation. Such certificates or cards may be signed by the president, vice-president or executive director and by the secretary or an assistant secretary. The name and address of each member and the date of issuance of the certificate or card shall be entered in the records of the corporation. If any certificate or card shall become lost, mutilated or destroyed, a new certificate or card may be issued upon such terms, provisions and conditions as the board of directors may determine.

**3.06 Voting Rights.** Each member of each class shall have voting rights and shall be entitled to one vote.

**3.07 Termination of Membership.** Membership in the corporation terminates upon the death of a member. A member shall also be automatically ineligible for membership and loses all privileges, rights and benefits of the corporation when the member of any class shall be in default in the payment of dues for a period of one month from the beginning of the period from which such dues became payable, unless the board of directors, in its discretion, extends the time for payment of dues. Termination for the failure to pay dues shall be effective retroactively to the date such dues were payable and no further notice of such termination shall be required, although it may be given. Furthermore, the board of directors may expel or suspend a member pursuant to a procedure, duly adopted by the board of directors, that is fair and reasonable and carried out in good faith. The expulsion or suspension of a member, or termination of a membership, does not relieve the member from obligations the member may have to the corporation for dues, fees or charges for goods or services.

**3.08 Resignation.** Any member personally or through his duly authorized attorney-in-fact may resign by filing a written resignation with the secretary of the corporation but such resignation shall not entitle such member to any refund of dues and the member shall immediately lose all privileges and rights of the corporation.

**3.09 Reinstatement.** Upon written request signed by a former member and filed with the corporation, the board of directors may reinstate such former member to membership in the corporation upon such terms as the board of directors may deem appropriate.

**3.10 Transfer of Membership.** Membership in the corporation is not transferable or assignable.

**3.11 Dues.** The board of directors shall from time to time determine the application or activation fees and the amount of dues payable to the corporation by its members, classes of members or divisions of members. The board of directors may waive any application or activation fees or dues for members.

**3.12 Payment of Dues.** Dues shall be payable monthly or annually, in advance, or in such

other manner as the board of directors may so determine. The Association reserves the right to change the membership dues or fees after thirty (30) days notice in writing or by email to the Member. A person may only enroll in one membership in the Association.

**3.13 Liability of Members.** The members shall not have ownership rights in the corporation and shall not be personally liable for the debts, liabilities or obligations of the corporation.

#### **ARTICLE 4. MEETINGS OF MEMBERS**

**4.01 Place of Meetings.** Meetings of members shall be held at the time and place, within or outside of the State of Missouri, stated in the notice of the meeting or in a waiver of notice.

**4.02 Annual Meeting.** An annual meeting of the members shall be held each year on a day and hour to be selected by the Board of Directors for the purpose of electing Directors and for the transaction of such other business as may come before the meeting. If the board of directors fails to call the annual meeting at the designated time, a member of the corporation may demand that the meeting be held within a reasonable time. The demand must be made in writing and sent to an officer of the corporation by registered mail. If the annual meeting is not called before the 61<sup>st</sup> day after the date of demand, a member may compel the holding of such annual meeting by legal action directed against the board of directors, and each of the extraordinary writs of common law and of courts of equity are available to the member to compel the holding of the meeting. Failure to hold an annual meeting at the designated time does not result in the winding up and termination of the corporation.

**4.03 Special Meetings.** Special meetings of the members of the corporation may be called by the president, the secretary, the board of directors or by members having not less than one-tenth (1/10) of the votes entitled to be cast at such meeting. Business transacted at a special meeting shall be confined to the purposes stated in the notice of the meeting.

**4.04 Notice of Meetings.** Notice of an annual meeting is not required. The corporation may, however, provide written notice of the place, date, and time of a meeting of members of the corporation and, if the meeting is a special meeting, the purpose or purposes for which the meeting is called. The notice shall be delivered to each member entitled to vote at the meeting not later than the 10<sup>th</sup> day and not earlier than the 60<sup>th</sup> day before the date of the meeting. Notice may be delivered personally, by mail, or by facsimile or electronic message. "Mailed" is considered to be delivered on the date notice is deposited in the United States mail with postage paid in an envelope addressed to the person at the person's address as it appears on the membership records. "Transmitted by facsimile or electronic message" is considered to be delivered when the facsimile or electronic message is successfully transmitted. If there are more than 1,000 members at the time a meeting is scheduled or called, notice may be given by publication in any newspaper of general circulation in the community in which the principal office of the corporation is located or may be posted on the corporation's general website.

**4.05 Quorum.** The members of the corporation holding one tenth (1/10) of the votes entitled to be cast, in person or by proxy, constitute a quorum. The vote of the majority of the votes entitled to be cast by the members present, or represented by proxy, at a meeting at which a quorum is present, shall be the act of the members, unless the vote of a greater number is required by law, the articles or the bylaws. If, however, such quorum shall not be present or represented at any meeting of the members, the members entitled to vote thereat, present in person, shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present. At



such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the original meeting. The members present at a duly constituted meeting may continue to transact business until adjournment, despite the withdrawal of enough members to leave less than a quorum.

**4.06 Voting Of Members.** Each member, regardless of class, shall be entitled to one vote on each matter submitted to a vote at a meeting of members, except to the extent that the voting rights of members of any class or classes are limited, enlarged or denied by the articles or the bylaws.

**4.07 Proxies by Members.** A member may vote in person or by proxy executed in writing by the member or the member's attorney-in-fact. A member can revoke his proxy in writing at anytime by sending notice of such revocation to the corporation. Any person who becomes a member shall execute an appropriate written proxy if such person desires to have any director or officer of the corporation receive notice of and vote and act on said member's behalf in regard to any such meetings of the members. A proxy is not effective for voting purposes unless the original of the proxy is filed with the secretary of the corporation at least ten (10) days before the meeting at which it is to be used.

**4.08 Meetings by Communications Equipment.** Members may participate in and hold a meeting by means of telephone conference or similar communications equipment in which all persons participating in the meeting can hear each other. Participation in such a meeting shall constitute presence in person at the meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

**4.09 Action by Unanimous Written Consent.** Any action required to be or which may be taken at a meeting of the members of the corporation may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all the members entitled to vote with respect to the subject matter thereof, and then delivered to the Secretary of the corporation for inclusion in the corporate record book. Such consent shall have the same force and effect as a unanimous vote of members at a meeting, and may be stated as such in any documents filed with the Secretary of State.

## **ARTICLE 5. DIRECTORS**

**5.01 Management by Board of Directors.** The business and affairs of the corporation shall be managed by the Board of Directors who may exercise all such powers of the corporation and do all such lawful acts as are not directed or required to be exercised by the members.

**5.02 Number, Term; Election.** The Board of Directors may not have fewer than three (3) or more than nine (9) directors, and shall consist of the number set by majority vote of the Board of Directors, which may be changed from time to time by resolution of the board of directors. Each director shall hold office for a term of twelve (12) months and shall be eligible for re-election. Directors shall be elected by plurality vote. Each director elected shall hold office for the term for which elected until his or her successor shall be elected and shall qualify, or until his or her earlier death, resignation or removal.

**5.03 Qualifications of Directors.** The qualification for becoming and remaining a Director of the corporation are as follows:

- (a) directors must be residents of any state in the United States or the District of

Columbia;

(b) notwithstanding the provisions of Section 3.01, any person serving as a director of the corporation shall automatically be enrolled as an active member of the corporation;

(c) proposed directors must be nominated by existing directors; and

(d) directors must attend at least seventy-five (75%) percent of the annual and special meetings of the board of directors.

**5.04 Change in Number.** The number of directors may be increased or decreased from time to time by vote of a majority of the Board of Directors, but no decrease shall have the effect of shortening the term of any incumbent Director. Any directorship required to be filled by reason of an increase in the number of Directors shall be filled by election at an annual meeting or at a special meeting of members called for that purpose.

**5.05 Removal; Resignation.** Any director may be removed either for or without cause at any special or annual meeting of members, by the affirmative vote of a majority in number of members present, in person or by proxy, at such meeting and entitled to vote for the election of such director if notice of intention to act upon such matter shall have been given in the notice calling such meeting. Any director may resign by giving written notice to the president or secretary. The resignation shall take effect at the time specified in the notice, or immediately if no time is specified. The acceptance of such resignation shall not be necessary to make it effective.

**5.06 Vacancies.** Any vacancies occurring in the Board of Directors for any reason may be filled by the affirmative vote of a majority of the remaining directors then in office though less than a quorum. Any director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office. If there are no directors in office, then an election of directors may be held in the manner provided by law.

**5.07. First Meetings.** The first meeting of a newly elected Board shall be held without further notice immediately following the annual meeting of members, and at the same place, unless the time or place is changed by unanimous consent of the Directors then elected and serving.

**5.08 Regular Meetings.** Regular meetings of the Board of Directors may be held without notice at such time and place as shall from time to time be determined by the Board.

**5.09 Special Meetings.** Special meetings of the Board of Directors may be called by the President on three days' notice to each Director. Special meetings shall be called by the President or Secretary in like manner and on like notice on the written request of two directors. The purpose of any special meeting of the board of directors shall be specified in the notice of such meeting.

**5.10 Quorum; Majority Vote.** At meetings of the board of directors a majority of the number of directors shall constitute a quorum for the transaction of business; provided, however, that a quorum shall not consist of less than fifty-one percent (51%) of the entire board of directors. The act of a majority of the directors present at a meeting at which a quorum is present will be the act of the board of directors unless a greater number is required by law, the articles or the bylaws. If a quorum is not present at a meeting of the board of directors, the directors present may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present. The board of directors

shall keep minutes of its proceedings which shall be placed in the minute book of the corporation.

**5.11 Action by Unanimous Written Consent.** Any action required to be or which may be taken at a meeting of the board of directors or any other committee of the board of directors of the corporation may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all the directors, or any other committee of the board of directors as the case may be, and then delivered to the Secretary of the corporation for inclusion in the corporate record book. Such consent shall have the same force and effect as a unanimous vote of members at a meeting, and may be stated as such in any documents filed with the Secretary of State.

**5.12 Participation in Meetings by Use of Communications Equipment.** Any Director may participate in and hold a meeting of the directors by means of a conference telephone, or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in such a meeting shall constitute presence in person at the meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

**5.13 Compensation.** By resolution of the board of directors, the directors may be paid their reasonable expenses (i.e. travel, meals, lodging and entertainment), if any, and may be paid a fixed sum for attendance at each meeting of the board of directors, or receive a stated fee as director. No such payment shall preclude any director from serving the corporation in any other capacity and receiving compensation therefore. Members of the executive committee or of special or standing committees may, by resolution of the board of directors, be allowed like compensation for attending committee meetings.

**5.14 Minutes.** The board of directors shall keep regular minutes of its proceedings. The minutes shall be placed in the Corporate Record Book of the corporation.

**5.15 Conflicts of Interest.** Any contract or other transaction between the Corporation and one or more of its directors, or between the Corporation and any firm in which one or more of its Directors are members or employees, or in which they are interested, or between the Corporation and any corporation or association of which one or more of its Directors are shareholders, members, directors, officers or employees, or in which they are interested, shall be valid for all purposes, notwithstanding the presence of such Director or Director at the meeting of the Board of Directors of the Corporation which acts upon or in reference to such contract or transaction, and notwithstanding his or their participation in such action, if the fact of such interest shall be disclosed or known to the Board of Directors, and the Board of Directors shall, nevertheless, authorize, approve and/or ratify such contract or transaction by a vote of the majority of the Directors present, such interested Director or Directors to be counted in determining whether a quorum is present, but not to be counted in calculating a majority of such quorum necessary to carry such a vote.

**5.16 Limitation of Liability of Directors.** To the fullest extent permitted by Missouri law no governing person (director or officer) of the Corporation shall be liable to the Corporation or its members for monetary damages for an act or omission in such capacity except for liability arising out of (i) any breach of such person's duty of loyalty, if any, to the corporation or its members; (ii) acts by or omissions which are not in good faith or which involve intentional misconduct or a knowing violation of the law; (iii) a transaction from which such person received an improper benefit, whether or not the benefit resulted from an action taken within the scope of such person's office or position; or (iv) an act by or omission of such person for which the liability is expressly provided for by statute. The foregoing

elimination of the liability to the Corporation or its members for monetary damages should not be deemed exclusive of any other rights or limitations of liability or indemnity to which a person may be entitled under any other provision of the Certificate of Formation and Bylaws of the Corporation, contract or agreement, vote of members and/or disinterested directors, or otherwise.

## **ARTICLE 6. OFFICERS**

**6.01 Officers.** The officers of the corporation shall be a president and a secretary and may include an executive vice-president as well as one or more vice-presidents (the number to be determined by the board of directors), a treasurer, or combination thereof, and such other officers, including an executive director, as may be elected in accordance with the provisions of this article. The board of directors may elect or appoint such other officers, including one or more assistant secretaries and one or more assistant treasurers, as it shall deem desirable, such officers to have the authority and perform such duties in the management of the corporation as prescribed from time to time by the board of directors or as may be provided in these bylaws. Any two or more offices may be held by the same person, except for the offices of president and secretary.

**6.02 Officers to be Active Members.** Notwithstanding the provisions of Section 3.01, any person serving as an officer of the corporation shall automatically be enrolled as an active member of the corporation.

**6.03 Election and Term of Office.** The officers of the corporation shall be elected by the board of directors at the annual meeting of the board of directors for a term of twelve (12) months. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as convenient. Each officer shall hold office until his or her successor shall have been duly elected and shall have qualified.

**6.04 Vacancies.** A vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the board of directors at any meeting for the unexpired portion of the term. New offices may also be created and filled by the board of directors at any such meeting. An assistant or assistants to the elected officers may be made available as necessary upon authorization by the board of directors.

**6.05 President.** The president will be the chief executive officer of the corporation and shall, subject to the control of the board of directors, supervise and control the business affairs of the corporation. The president will perform all duties incident to such office and such other duties as may be provided in these bylaws or as may be prescribed from time to time by the board of directors. The board of directors shall delegate to the president the necessary authority and responsibility for the administration of the affairs of the corporation subject only to such bylaws as may be adopted and such orders as may be issued by the board of directors relating to the operation of the corporation and long range planning. The president shall be an ex-officio member of each directorial committee of the board of directors without a vote except the executive committee on which he shall serve with a vote, or, except as otherwise provided for in these bylaws or through a resolution of the board of directors. The president shall present a report at each annual meeting of the board of directors covering the operations of the corporation during the preceding fiscal year.

**6.06 Executive Vice-President.** In the absence of the president, or in the event of his inability or refusal to act, the executive vice president, if one has been appointed, shall perform the duties

of the president, and when so acting, shall have all the powers of and be subject to all the restrictions upon the president. The executive vice president shall be the chief administrative and operating officer. He shall serve as secretary to the board of directors and cause to be prepared notices and minutes of meetings of the board. The executive vice president shall be a member of the board of directors and all committees. With the assistance of committee chairmen, he shall be responsible for the administration of all activities in accordance with the policies and regulations of the board of directors. The executive vice president shall be responsible for hiring, discharging, directing and supervising all employees.

**6.07 Vice-President.** In the absence of the president and executive vice president or in the event of their inability or refusal to act, the vice presidents, if any, in the order of their seniority, unless otherwise determined by the board of directors, shall perform the duties of the president, and when so acting, shall have all the power of and be subject to all the restrictions upon the president. A vice president shall perform such other duties as from time to time may be assigned to him by the president or by the board of directors.

**6.08 Treasurer.** The treasurer or assistant treasurer shall have charge and custody of and be responsible for all funds and securities of the corporation, receive and give receipts for monies received by the corporation from any source whatsoever, and deposit all such monies in the name of the corporation in such banks, trust companies or other depositories as shall be selected by the board of directors. The treasurer or assistant treasurer shall prepare and present quarterly a detailed financial statement of the financial affairs of the corporation. All of the duties, responsibilities and obligations of the treasurer or assistant treasurer may be assigned to a qualified third person or entity by written agreement; however, under such circumstances, the treasurer or assistant treasurer shall retain ultimate responsibility for such functions.

**6.09 Secretary.** The secretary or assistant secretary of the corporation shall keep the minutes of the meetings of the members, the board of directors and any committees in one or more books provided for that purpose, oversee that all notices are duly given in accordance with the provisions of these by-laws or as required by law, be custodian of the corporate records of the corporation, oversee that the seal of the corporation, if required, is affixed to all documents of the corporation, keep a register of the mailing address of each member which shall be furnished to the secretary or assistant secretary by such member, and in general, perform all duties incident to the office of secretary and such other duties as from time to time may be assigned to the secretary or assistant secretary by the president or by the board of directors.

**6.10 Executive Director.** An executive director of the corporation may be appointed at such time as the board of directors so designates. The executive director of the corporation may be the chief administrative and operating officer of the corporation and shall be selected by and report to the board of directors, which shall determine the term of his appointment as well as his duties and functions. The executive director of the corporation shall carry out the purposes of the corporation within the framework of the Articles of Incorporation, these by-laws, corporate policies and procedures, and the general and specific assignments given to him by the board of directors. The functions of the executive director shall include, but not be limited to, the following:

- a. selection, employment, and supervision of any employees of the corporation as authorized by the president and the board of directors. All staff employed by the corporation must meet required personnel standards as set forth in the personnel policies of the corporation;
- b. coordination and implementation of planning activities according to an approved

work program:

c. attendance at all meetings of the board of directors and the Executive Committee, except as otherwise determined by the President;

d. representing the board of directors in dealing with the public and with all governmental agencies, if required; and

e. such other duties and responsibilities as may from time to time be delegated to him by the president or the board of directors.

**6.11 Removal of Officers.** Any officer elected or appointed to office may be removed by those persons authorized under these bylaws to elect or appoint such officers whenever in their judgment the best interests of this corporation would be served. Such removal will be without prejudice to the contractual rights, if any, of the officer so removed. Any election or appointment of an officer shall not of itself create contract rights.

**6.12 Resignation of Officer.** Any officer may resign by giving written notice to the president or the board of directors. The resignation shall take effect at the time specified therein. The acceptance of such resignation shall not be necessary to make it effective.

**6.13 Compensation.** The compensation of officers of the corporation, if any, shall be determined from time to time by the board of directors.

## **ARTICLE 7. COMMITTEES**

**7.01 Establishment of Committees.** The board of directors, by resolution duly adopted by a majority of the directors in office, may designate one or more committees, each of which shall consist of two (2) or more directors, which committees, to the extent provided in said resolution, shall have and exercise the authority of the board of directors in the management of the corporation. The designation of such committees and the delegation of authority thereto shall not operate to relieve the board of directors, or any individual director, of any responsibility imposed on it or him by law.

**7.02 Executive Committee.** The board of directors may designate and appoint an executive committee which shall consist of no less than three (3) members of the board of directors and who each shall serve in such capacity for one (1) year, unless the board shall determine otherwise. The executive committee shall have the authority, those, duties, and exercise those powers as such are determined from time to time by the board by resolution duly adopted and not inconsistent with these bylaws. The executive committee shall have the authority of the board between its meetings, except for that business of the corporation as can only be addressed by a majority of the board of directors at a meeting of said board. A majority of all the members of the executive committee may determine its action and fix the time and place of its meetings, unless the board shall otherwise provide. The board shall have the power at any time to change the number, powers, and members of the executive committee, to fill vacancies, and to discharge any such member of the executive committee.

**7.03 Benefits Review Committee.** The board of directors, by resolution duly adopted by a majority of the directors in office, may also designate a benefits review committee consisting of the president of the corporation and at least two (2) other persons who are selected by the board of directors.

The benefits review committee shall have the responsibility for locating and reviewing potential benefit programs for the different classes of members of the corporation, and recommending such programs to the board of directors for its review, approval and adoption, if it believes it to be in the best interests of the members of the corporation to do so. A majority of all the members of the benefits review committee may determine its action and fix the time and place of its meetings, unless the board of directors shall otherwise provide. The board of directors shall have the power at any time to change the number, powers, and members of the benefits review committee, to fill vacancies, and to discharge any such member of the benefits review committee.

**7.04 Other Committees.** Other committees not having and exercising the authority of the board of directors in the management of the corporation may be designated and appointed by a resolution duly adopted by the board of directors or by the president if authorized by a resolution duly adopted by the board of directors. Except as otherwise provided in such resolution, members of each such committee shall be members of the corporation, and the president of the corporation shall appoint the members thereof. Any member may be removed by the person or persons authorized to appoint such member whenever in his or their judgment the best interests of the corporation will be served by such removal. At least one member of each committee shall be a director of the corporation. A majority of all members of such a committee may determine its action and fix the time and place of its meetings, unless the board of directors shall otherwise provide. The board of directors shall have the power at any time to change the number, powers and members of such a committee, to fill vacancies and to discharge any member of such a committee.

**7.05 Term of Office.** Each member of a committee shall continue as such until the next annual meeting of the board of directors, unless the committee shall be sooner terminated, or unless such member is removed from such committee or resigns. A member of any committee shall be eligible for re-appointment.

**7.06 Chairman.** One member of each committee shall be designated the chairman of such committee by the board of directors unless otherwise set forth in these bylaws.

**7.07 Vacancies.** Vacancies in the membership of any committee may be filled by appointments made in the same manner as provided in the case of original appointments.

**7.08 Quorum.** Unless provided in the resolution duly adopted by the board of directors designating a committee, a majority of the entire committee shall constitute a quorum and the act of a majority of the members present at a meeting at which a quorum is present shall be the act of the committee.

## **ARTICLE 8. CONTRACTS, CHECKS, DEPOSITS AND FUNDS**

**8.01 Contracts.** The board of directors may authorize the officers or agents of the corporation to enter into contracts or to execute and deliver documents in the name of and on behalf of the corporation. Such authority shall be confined to specific instances. Such contracts may be for any purpose deemed by the board of directors to be appropriate, including the contracting with a third party for any or all management, operational, administrative, marketing, providing of member benefits and other services and functions necessary for the corporation to achieve its purpose.

**8.02 Checks, Drafts and Other Orders for Payment.** All checks, drafts, or other orders for

the payment of money, notes or other evidences of indebtedness issued in the name of the corporation shall be signed by such officer or officers, agent or agents, of the corporation, and in such manner as shall from time to time be determined by duly adopted resolution of the board of directors. However, such responsibility may be assigned to a qualified third person or entity by written agreement.

**8.03 Deposits.** All funds of the corporation shall be deposited from time to time to the credit of the corporation in such banks, trust companies, or other depositories as the board of directors may select.

**8.04 Gifts.** The board of directors may accept on behalf of the corporation any contributions, gifts, bequests, or devise for the general purpose or for any special purpose of the corporation.

**8.05 Loans.** The corporation may, upon authorization of the board of directors, from time to time accept or negotiate loans of financial assistance to be repaid at such time as the corporation is reasonably able to repay.

## **ARTICLE 9. INDEMNIFICATION OF DIRECTORS AND OFFICERS**

**9.01 Indemnification of Directors and Officers.** Except as otherwise expressly provided by law or these bylaws, each director or officer, whether or not then in office, shall be indemnified by the Corporation against all expenses reasonably incurred by or imposed upon him in connection with or arising out of any proceeding in which he may be involved by reason of his being or having been a director or officer of the Corporation. The foregoing right of indemnification shall not be exclusive of other rights to which any director or officer may be entitled as a matter of law.

**9.02 Power to Indemnify.** The power to indemnify applies only if it is determined that the director or officer (a) acted in good faith, (b) reasonably believed that his conduct in his official capacity was in the corporation's best interests, and in all other cases, that his conduct was at least not opposed to the corporation's best interests, and (c) in the case of any criminal proceedings, did not have a reasonable cause to believe his conduct was unlawful.

**9.03 Limitations.** If the director or officer is found liable to the corporation or is found liable because he improperly received a personal benefit, the indemnification in Section 9.01 (a) is limited to reasonable expenses (which shall not include a judgment, a penalty, a fine or tax) actually incurred by the person in connection with the proceeding and (b) may not be made in relation to a proceeding in which the person has been found liable for (i) willful or intentional misconduct in the performance of his duty to the corporation, (ii) breach of his duty of loyalty owed to the corporation or (iii) an act or omission not committed in good faith that constitutes a breach of duty owed by the person to the corporation..

**9.04 Proceeding.** "Proceeding" means a threatened, pending or completed action or other proceeding, whether civil, criminal, administrative, arbitative or investigative, an appeal of such an action or proceeding and an inquiry or investigation that could lead to such an action or proceeding.

**9.05 Expenses.** "Expenses" includes court costs, a judgment (including an arbitration award), a penalty, a settlement, a fine, and an excise or similar tax, including an excise tax assessed against the person with respect to an employee benefit plan and reasonable attorneys' fees that are reasonable and actually incurred by the person in connection with a proceeding.



**9.06 Determination of Indemnification.** A determination of indemnification under Section 9.01 (unless ordered by a court of competent jurisdiction) must be made:

1. by a majority vote of a quorum consisting of directors who at the time of the vote are not named defendants or respondents in the proceeding;

2. If such a quorum cannot be obtained, by a majority vote of a committee of the board of directors, designated to act in the matter by a majority vote of all directors, consisting solely of two or more directors who at the time of the vote are not named defendants or respondents in the proceeding;

3. by special legal counsel selected by the board of directors or a committee of the board by vote as set forth in subsection 1 or 2 of this section; or, if such a quorum cannot be obtained and such a committee cannot be established, by a majority vote of all directors; or

4. by the members in a vote that excludes the vote of directors who are named defendants or respondents in the proceeding.

**9.07 Mandatory Indemnification.** The corporation shall indemnify a director or officer against reasonable expenses actually incurred by him in connection with a proceeding in which he is a named defendant or respondent because he is or was a director or officer if he has been wholly successful, on the merits or otherwise, in the defense of the proceeding.

**9.08 Advancement of Reasonable Expenses.** Reasonable expenses incurred by a director or officer who was, is, or is threatened to be made a named defendant or respondent in a proceeding shall be paid or reimbursed by the corporation, in advance of the final disposition of the proceeding and without the determination specified in Section 9.06, after the corporation receives a written affirmation by the director or officer of his good faith that he has met the standard of conduct necessary for indemnification under this article and a written undertaking by or on behalf of the director or officer to repay the amount paid or reimbursed if it is ultimately determined that he has not met that standard or if it is ultimately determined that indemnification of the director or officer against expenses incurred by him in connection with that proceeding is prohibited under this article. The written undertaking must be an unlimited general obligation of the director or officer but need not be secured. It may be accepted without reference to financial ability to make repayment.

**9.09 Payment as Witness.** The corporation shall pay or reimburse expenses incurred by a director, officer or employee in connection with his appearance as a witness or other participation in a proceeding by or against the corporation at a time when he is not a named defendant or respondent in the proceeding.

**9.10 Insurance.** The corporation may purchase and maintain insurance or enter into any other arrangement on behalf of any person who is or was a director, officer, employee or agent of the corporation or who is or was serving at the request of the corporation as a director, officer, partner, venturer, proprietor, trustee, employee, agent, or similar functionary of another foreign or domestic corporation, employee benefit plan, other enterprise, or other entity, against any liability asserted against him and incurred by him in such a capacity or arising out of his status as such a person, whether or not the corporation would have the power to indemnify him against that liability under this article. Without limiting the power of the corporation to procure or maintain any kind of other arrangement, the corporation may, for the benefit of persons indemnified by the corporation, (a) create a trust fund; (b)

establish any form of self-insurance; (c) secure its indemnity obligation by grant of a security interest or other lien on the assets of the corporation; or (d) establish a letter of credit, guaranty, or surety arrangement.

**9.11 Exclusions.** No indemnification by the corporation shall apply to (a) any claim arising out of bodily injury to, or sickness, disease or death of any person, or damage to or destruction of any property including the loss of use thereof, (b) any claim arising out of breach of fiduciary duty or obligation in connection with any employee welfare benefit plan or retirement plan, (c) any cross-claim or counterclaim brought by one director and/or officer against another director and/or officer, (d) any claim arising out of failure to effect or maintain any insurance or bond, (e) any claim arising out of acts of a knowingly discriminatory nature, (f) any claim arising out of a violation of the responsibilities, obligations or duties imposed by Internal Revenue Code of 1986, as amended, or similar statutory law of any state or other jurisdiction therein, or (h) any act committed by a director or officer prior to taking office.

**9.12 Notice.** A director or officer shall, as a condition precedent to indemnification hereunder, give written notice to the corporation as soon as practicable of any claim made against him. The director or officer shall promptly forward to the corporation any demand, notice or summons received by the director or officer. Notice given by or on behalf of the director or officer to any authorized representative of the corporation, with particulars sufficient to identify the director or officer, shall be deemed notice to the corporation.

**9.13 Jurisdiction.** The indemnification hereunder only applies to acts committed by and suits brought against a director or officer in the United States of America, its territories or possessions or Canada.

**9.14 Cooperation.** The director or officer shall cooperate with the corporation and, upon the corporation's request, assist in making settlements and in the conduct of suits, including arbitration proceedings. The director or officer shall attend hearings, trials and depositions and shall assist in securing and giving evidence and obtain the attendance of witnesses. The director or officer shall not, except at his own cost, voluntarily make any payment, assume any obligation or incur any expenses in any such proceedings.

**9.15 Liability.** No action shall lie against the corporation unless, as a condition precedent thereto, the director or officer shall have fully complied with all the terms, provisions and conditions of this entire article nor until the amount of the obligation to pay shall have been finally determined either by judgment against the director or officer after actual trial, arbitration determination, or by written agreement of the director or officer and the claimant subject to the prior written consent of the corporation. Any person or organization or the legal representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recover against the corporation. No person or organization shall have the right to join the corporation as a party to any action against the director or officer to determine the director's or officer's liability, nor shall the corporation be interpleaded by the director or officer or their legal representative.

**9.16 Subrogation.** In the event of any payment under this article, the corporation shall be subrogated to all the director's or officer's rights of recovery therefore against any person or organization, and the director or officer shall execute and deliver all instruments and papers and do whatever else is necessary to secure such rights. Any amount recovered in excess of the corporation's

total payment shall be restored to the director or officer, less the cost to the corporation of recovery. This indemnification as proved shall apply only as excess over any valid and collectible insurance the director or officer may have.

**9.17 Effect of Amendment.** No amendment, modification or repeal of the articles on indemnification and insurance hereof shall in any manner terminate, reduce or impair the right of any past, present or future director or officer of the corporation, nor the obligation of the corporation to indemnify such directors, under and in accordance with the provisions of these articles as in effect immediately prior to such amendment, modification or repeal with respect to claims arising from or relating to matters occurring, in whole or in part, prior to such amendment, modification or repeal, regardless of when such claims may arise or be asserted.

**9.18 Surety Bond.** Such officers and agents of the corporation as the president, board of directors or the executive committee may designate from time to time, may be bonded for the faithful performance of their duties to the corporation and for the restoration to the corporation, in case of their death, resignation, retirement, disqualification or removal from office, of all books, papers, vouchers, money and other property of whatever kind in their possession or under their control belonging to the corporation, in such amounts and by such surety companies as the president, board of directors or the executive committee may determine. The premiums on such surety bonds shall be paid by the corporation and the bonds so furnished shall be in the custody of the secretary of the corporation.

## **ARTICLE 10. PROHIBITED ACTS**

**10.01 Dividends Prohibited.** A dividend may not be paid to, and no part of the income of the corporation may be distributed to, the corporation's members, directors or officers.

**10.02 Authorized Benefits and Distributions.** The corporation may pay compensation in a reasonable amount to the members, directors or officers for services rendered and may confer benefits on its members in conformity with the corporation's purposes.

**10.03 Loans To Directors Prohibited.** No loans shall be made by the corporation to its directors.

## **ARTICLE 11. DISSOLUTION AND DISTRIBUTION OF ASSETS**

**11.01 Voluntary Dissolution.** The corporation may dissolve and commence to wind up its affairs. The board of directors shall adopt a resolution recommending that the corporation be dissolved and directing that the question of such dissolution be submitted to a vote at an annual or special meeting of members having voting rights. A resolution to dissolve the corporation shall be adopted upon receiving at least two-thirds (2/3) of the votes which members present at such meeting in person or by proxy are entitled to cast. Upon the adoption of such resolution by the members, the corporation shall cease to conduct its affairs except in so far as may be necessary for the winding up thereof, shall immediately cause a notice of the proposed dissolution to be mailed to each known creditor of and claimant against the corporation and shall proceed to collect its assets and apply and distribute them as provided in these bylaws or as allowed by law.

**11.02 Application and Distribution of Assets.** If in the process of dissolution, all valid and legally enforceable liabilities and obligations of the corporation shall be paid, satisfied and discharged. In case the property and assets are not sufficient to satisfy or discharge all of the corporation's valid and legally enforceable liabilities and obligations, the corporation shall apply them so far as they will go to the just and equitable payment of the liabilities and obligations. Assets held by the corporation upon condition requiring return, transfer or conveyance, which condition occurs by reason of the dissolution, shall be returned, transferred or conveyed in accordance with such requirements. The remaining assets of the corporation shall be distributed only for tax exempt purposes to one or more organizations which are exempt under Section 501(c)(3) of the Internal Revenue Code of 1986 or the corresponding section of any future federal tax code, or which are described in Section 170(c)(1) or (2), Internal Revenue Code, under a plan of distribution adopted pursuant to applicable law. Any remaining assets not distributed under the plan of distribution shall be disposed of by a district court of the county in which corporation's principal office is located exclusively to one or more exempt organizations described above. Any distribution by the court shall be made in such manner as, in the judgment of the court, will best accomplish the general purposes for which the corporation was organized.

## **ARTICLE 12. GENERAL PROVISIONS**

**12.01 Fiscal Year.** The fiscal year of the corporation shall begin the first day of January and end on the last day of December in each year.

**12.02 Seal.** The corporate seal shall be in such form as may be prescribed by the board of directors. The seal may be used by causing it or a facsimile thereof to be impressed or affixed or in any manner reproduced.

**12.03 Books and Records.** The corporation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its members, board of directors and committees having any authority of the board of directors and shall keep at its principal office a record of the names and addresses of its members entitled to vote. A member of the corporation, on written demand stating the purpose of the demand, has the right to examine and copy, in person or by agent, accountant or attorney, at any reasonable time during normal business hours, for any proper purpose, the books and records of the corporation relevant to that purpose, at the expense of the member. However, since membership information of the corporation is a valuable and proprietary asset of the corporation, such information may not be given or sold to, or be copied by, any member or his agent or attorney. The corporation may be audited annually by certified public accountants selected by the board of directors.

**12.04 Amendment of Articles of Incorporation.** A proposed amendment to the articles of incorporation of the corporation shall be adopted at a special or annual meeting of members called for such purpose, upon receiving at least two-thirds (2/3) of the votes which members present at such meeting in person or by proxy are entitled to cast at which a quorum is present.

**12.05 Amendment of Bylaws.** The bylaws may be altered, amended or repealed or new bylaws may be adopted upon receiving a vote of a majority of the board of directors present in person or by proxy at a special or annual meeting at which a quorum is present.

**12.06 Waiver of Notice.** Notice of a meeting is not required to be given to a member, director or member of a committee if the person entitled to notice signs a written waiver of notice of the meeting, regardless of whether the waiver is signed before or after the time of the meeting. Attendance at a

meeting constitutes a waiver of notice of such meeting, unless the person participates in or attends the meeting solely to object to the transaction of business at the meeting on the ground that the meeting was not lawfully called or convened.

**12.07 Governing Law.** These bylaws shall be construed under and in accordance with the laws of the State of Missouri.

**12.08 Construction.** The gender of all words used in these bylaws includes the masculine, feminine, and neuter. Headings of all articles and sections are for reference purposes only and shall not constitute substantive matter to be considered in construing the terms of these bylaws.


**12.09 Counterparts.** These bylaws may be executed in any number of counterparts with the same effect as if all signing parties had signed the same document. All counterparts shall be construed together and constitute the same instrument.

**12.10 Procedures.** Parliamentary procedures for all meetings shall be conducted in accordance with the latest revised edition of Robert's Rules of Order, unless otherwise inconsistent with these bylaws or by resolution of the board of directors.

#### **CERTIFICATE OF SECRETARY**

The undersigned, being the duly elected Secretary of the Corporation, hereby certifies that the foregoing Bylaws were duly adopted, approved, authorized and ratified by the unanimous written consent of the Board of Directors of the Corporation and the same do now constitute the Bylaws of the Corporation.

Dated and Effective June 1, 2008.

  
\_\_\_\_\_  
Lawrence Gillet, Secretary

# PRESIDENTIAL LIFE INSURANCE COMPANY



69 LYDECKER STREET  
NYACK, NEW YORK 10960  
(800) 926-7599

(called We, Us or Our)

**POLICYHOLDER:** UNITED ASSOCIATION of SMALL BUSINESS  
**ADDRESS:** 2055 Spaulding Road, North Charleston, SC 29419  
**GROUP POLICY NUMBER:** UASB2055  
**EFFECTIVE DATE:** December 1, 2009  
**ISSUE DATE:** December 1, 2009  
**POLICY ANNIVERSARY DATE:** December 1, 2010  
**STATE OF JURISDICTION:** South Carolina

Presidential Life Insurance Company in consideration of the application for this Group Policy and the timely payment of premiums, agrees, subject to the terms and conditions of the Policy, to insure eligible persons, herein called Insured(s), and their eligible Dependents under the Policy.

The Policy takes effect on the effective date shown above, 12:01 a.m. Standard Time at the address of the Policyholder. Subject to the terms and conditions of the Policy, it can be renewed until the first Policy Anniversary by timely payment of the required premium; it can be renewed after such time from month to month by timely payment of the required premium, subject to Section 5, Termination of Insurance.

All provisions set forth on the following pages are a part of the Policy.

Signed for

**PRESIDENTIAL LIFE INSURANCE COMPANY**

Secretary

Chairman of the Board

## **GROUP HOSPITAL INDEMNITY POLICY**

THIS IS A LIMITED BENEFIT POLICY  
READ IT CAREFULLY

NON-PARTICIPATING  
NON-CONTRIBUTORY

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### AMENDMENT RIDERS, IF ANY

## SCHEDULE OF BENEFITS

DEFINITION OF ELIGIBLE PERSONS: All active members under age 65, as described in the group application, and their eligible Dependents. (Compliance with ADEA (Age Discrimination in Employment Act) is observed, where applicable.)

Limiting Age: 65

### HOSPITAL INDEMNITY INSURANCE WITH ANCILLARY BENEFITS

#### HOSPITAL INDEMNITY BENEFITS

Daily In-Hospital Indemnity Benefit (does not include Confinement for Substance Abuse or Mental Illness)

Day 1:	\$100, \$1,000, \$2,000	
Days 2 - 30:	\$100, \$500, \$1,000	
Maximum Number of Days Per Calendar Year per Covered Person		30

Daily In-Hospital Indemnity Benefit for Confinement in an Intensive Care Unit (ICU) (paid in addition to above Daily In-Hospital Indemnity Benefit)

Maximum Number of Days Per Calendar Year per Covered Person	\$400, \$500, \$1,000	15
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Daily In-Hospital Indemnity Benefit – First Day (does not include Confinement for Substance Abuse or Mental Illness)

\$0, \$500, \$1,000

#### ANCILLARY MEDICAL BENEFITS

**PLAN A** - Scheduled Non-Hospital Medical Benefits with Inside Limits

80% of RBRVS per procedure, diagnosis, service or treatment or the amount shown opposite the Benefit.

Outpatient Surgical Indemnity Benefit – \$500, \$1,000, \$2,000  
Maximum Benefit per Calendar Year

Inpatient Surgical Indemnity Benefit – \$2,000, \$4,000, \$8,000  
Maximum Benefit per Calendar Year

Physician Office Visit Indemnity Benefit

Benefit per Visit	\$25, \$50, \$50	
Maximum number of visits per Covered Person per Calendar Year		5, 5, 5
Maximum number of visits per family per Calendar Year		30

Child Wellness/Preventive Care Benefit Per Visit

Maximum number of visits per Calendar Year per Covered child		5
Maximum benefit per year	\$0, \$100, \$100	

Adult Wellness/Preventive Care Benefit

Maximum benefit for annual physical	\$0, \$100, \$100	
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**PREMIUM SCHEDULE**

	<b><u>Plan 100</u></b>	<b><u>Plan 500</u></b>	<b><u>Plan 1000</u></b>
Employee Only	\$27.56	\$72.19	\$130.37
Employee/Spouse	\$57.37	\$149.74	\$269.54
Employee/Child	\$49.55	\$130.37	\$231.30
Family	\$79.36	\$207.42	\$370.47

## **Section 1 - DEFINITIONS**

As used in this Policy, the following definitions apply:

### **Calendar Year.**

The period from January 1 through December 31 of the same year.

### **Certificate.**

The individual certificate issued to the Insured. It describes the coverage under the Policy.

### **Complications of Pregnancy.**

Any condition that requires medical treatment or Hospital confinement prior to or subsequent to the termination of the pregnancy whose diagnosis is distinct from, but is adversely affected by the pregnancy. Such conditions include, but are not limited to: (1) acute nephritis; (2) nephrosis; (3) cardiac decompensation; (4) missed abortion; and, (5) similar conditions of comparable severity. A complication of pregnancy will also include non-elective cesarean section or termination of pregnancy that occurs during a period of gestation when a viable birth is possible. "Complications of Pregnancy" will not include: (1) false labor; (2) occasional spotting; (3) prescribed bed rest; (4) morning Sickness; or, (5) similar conditions that are common to the care of a difficult pregnancy.

### **Confinement or Confined.**

The period of time during which a Covered Person is confined in a Hospital as a resident bed patient. Confinement does not include that period of time during which a Covered Person is in a Hospital emergency room, an observation room, a freestanding surgical facility, or outpatient facility.

### **Covered Benefits.**

Those services or supplies shown in the Hospital Indemnity and Medical-Surgical Benefit(s), if included in this Policy, that:

- (a) are for necessary treatment and recommended by a Physician;
- (b) are received while the Covered Person is insured under the Policy, subject to any Extension of Benefits; and
- (c) are not excluded under Section 4 of the Policy.

### **Covered Person(s).**

The Insured and his or her Dependents who are insured under the Policy.

### **Dependent.**

An Insured's:

- (a) married spouse who lives with the Insured and is under age 65; or
- (b) unmarried natural child, step child, adopted child or a child during the pendency of adoption who is not eligible for insurance as an Insured under this Policy and who:
  - (1) is less than 21 years old and is dependent on the Insured; or
  - (2) is less than 23 and going to an accredited school full time. Such child must be dependent on the Insured for principal support and maintenance; or
  - (3) becomes incapable of self-support because of mental retardation or physical handicap while insured under the Policy and prior to reaching the limiting age for dependent children. The child must be dependent on the Insured for support and maintenance. We must receive proof of incapacity within 31 days after coverage would otherwise terminate. Then, coverage will continue for as long as the Insured's insurance stays in force and the child remains incapacitated. Additional proof may be required from time to time but not more often than once a year after the child attains age 23; or
  - (4) is not living with the Insured, but the Insured is legally required to support such child, and the child would otherwise qualify under (1), (2) or (3) above.

The term Dependent does not include:

- (a) a grandchild of the Insured (except where required by law); or
- (b) a child who engages for compensation, profit or gain in any employment or business for 30 or

more hours per week, unless such child is a full-time student as described in (b)(2) above.

**Hospital.**

A licensed institution that has on its premises:

- (a) permanent and full-time facilities for the care of overnight resident bed patients under the supervision of a licensed Physician;
- (b) 24-hour-a-day nursing service by graduate registered nurses; and
- (c) the patient's written history and medical records.

It shall also have (or have available on a pre-arranged basis) laboratory, x-ray equipment and operating rooms where major surgical operations may be performed by licensed Physicians, or be accredited by the Joint Commission on Accreditation of Hospitals.

Hospital shall not include any institution or portion thereof used as a place for rehabilitation, rest, the aged, education or training; or a nursing or convalescent home or an extended care facility for the care of convalescent patients.

**Immediate Family.**

The parents, spouse, children, or siblings of a Covered Person, or any person residing with a Covered Person.

**Injury.**

Accidental bodily Injury sustained on or after the Covered Person's Effective Date that causes a loss independent of any other cause. Such accident must occur while this Policy is in force. All injuries to the same Covered Person sustained in any one accident, including all related conditions and recurring symptoms of the Injuries, will be considered one Injury.

**Insured.**

Any person who is eligible for insurance and has enrolled for coverage, paid the premium due, and been accepted by Us.

**Intensive Care Unit**

A special area in a Hospital that is:

- (a) for the treatment of patients who are in acute and critical condition;
- (b) furnished with emergency life saving equipment and supplies that are immediately at hand;
- (c) staffed 24 hours a day by nurses who are specially trained to work in such special areas; and
- (d) equipped and staffed to monitor each patient's vital signs around-the-clock.

A recovery room, an area primarily for post-operative or post-anesthesia care, is not considered as an Intensive Care Unit.

**Late Enrollee.**

With regard to the Insured, if he or she enrolls more than 31 days after he or she is first eligible to enroll, he or she is considered at Late Enrollee. With regard to Dependents, it means the Dependent who is enrolled for Dependent coverage more than 31 days after such Dependent's initial eligibility period.

**Medically Necessary.**

The services or supplies provided by a Hospital or Physician that are required to identify or treat an Injury or Sickness and which, as determined by Us, are:

- (1) consistent with the symptom or diagnosis and treatment of a Covered Person's condition, Sickness or Injury;
- (2) appropriate with regard to standards of good medical practice;
- (3) not solely for the convenience of a Covered Person, a Physician or other provider; and
- (4) the most appropriate supply or level of service that can be safely provided to the Covered Person.

**Mental Illness.**

Any Sickness, disease or disorder, which is:

- (a) listed in the current edition of the Diagnostic and Statistical Manual of Mental Health Disorders (or any successor diagnostic manual) published by the American Psychiatric Association; and
- (b) usually treated by a mental health provider or other qualified provider, using psychotherapy, psychotropic drugs or other similar methods of Treatment.

Mental Illness includes any such conditions whether or not related to an underlying physical, genetic, chemical, organic or biological cause, although it may be associated with physical symptoms, manifestations or expressions. Specific conditions include, but are not limited to: bipolar disorder; depression and depressive disorders; psychoses; mood disorders; manic-depressive illness; anxiety disorders; stress disorders including post-traumatic stress disorders; somatoform disorders; factitious disorders; eating disorders; adjustment disorders; and personality disorders. However, for purposes of the Policy, Mental Illness does not include mental retardation or Alzheimer's disease and other forms of dementia with an objectifiable organic basis.

**Non-contributory.**

The Insured pays no portion of the premium for his or her insurance. If the Policy is Non-Contributory, this is stated in the group application. The Insured is responsible for the premium for his or her Covered Dependents.

**Ophthalmologist.**

A person who is licensed by the state in which he or she practices as a Doctor of Medicine or Osteopathy and is qualified to practice within the medical specialty of ophthalmology, who is not::

- (a) a member of the Covered Person's Immediate Family; or
- (b) retained by the Policyholder.

**Outpatient.**

Services and supplies provided by a Physician to a Covered Person for treatment either outside a Hospital or Skilled Nursing Facility or from an outpatient department of a Hospital or Skilled Nursing Facility or licensed ambulatory surgical center.

**Physician.**

A practitioner of the healing arts who:

- (a) is practicing within the scope of his or her license in the state where so licensed; and
- (b) is not a member of the Covered Person's Immediate Family; and
- (c) provides treatment or service covered under the Policy.

**Policy.**

The policy issued to the Policyholder.

**Policyholder.**

The entity named on the face page of the Policy.

**Pre-existing Condition Limitations.**

A condition for which medical treatment was rendered or recommended by a Physician or for which drugs or medicine was prescribed within 12 months prior to a Covered Person's Effective Date. The condition will no longer be considered a pre-existing condition on the first to occur of twelve months that a Covered Person was without medical care, treatment, or supplies ending after the effective date of his or her coverage or twelve months after the effective date of the coverage.

**Resource Based Relative Value System, referred to as RBRVS.**

The methodology used by the federal government to determine benefits payable under Medicare. Medicare assigns a "Relative Value Unit" or RVU to thousands of procedure codes used to bill physician and other services. The total RVU is the sum of three component RVUs including the Work RVU, the Practice Expense RVU and the Malpractice RVU. The Work RVU takes into account factors such as the amount of time required to perform the service and the degree of skill required to perform it. The Practice Expense RVU takes into account the location of the service, e.g., office setting, outpatient setting, etc. The Malpractice RVU takes into account the malpractice cost associated with a particular practice. We will base benefits payable on RBRVS.

**Schedule of Benefits (or Schedule).**

The benefit schedule set forth in the Policy or Certificate.

**Sickness.**

Sickness or disease that is first diagnosed or treated while a Covered Person's insurance is in force, whose Sickness is the basis of claim, and which results in loss covered by this Policy.

**Skilled nursing facility.**

- (a) a special unit or ward of a Hospital used primarily as a nursing or convalescent home; or
- (b) an institution that has a transfer agreement with one or more Hospitals and meets fully all of the requirements of Title XVIII of the Social Security Act of 1965, as now or hereafter amended, commonly known as "Medicare".

**Substance Abuse.**

Alcoholism, or the non-medical use of narcotics, sedatives, stimulants, hallucinogens, or any other such substance, whether or not prescribed by a Physician.

**Total Disability or (Totally Disabled).**

The Insured is disabled and prevented from performing the material and substantial duties of his or her occupation. For Dependents, Totally Disabled means the inability to perform a majority of the normal activities of a person of like age in good health.

## Section 2 - ELIGIBILITY AND EFFECTIVE DATES

### INSURED PERSONS

#### DATE PERSONS ARE ELIGIBLE FOR INSURANCE

Subject to the Probationary Period, each person in an eligible class on the effective date of this Policy will be eligible for insurance on that date. Each person who enters an eligible class after the effective date of this Policy will be eligible for insurance on the day he or she enters such class, subject to the Probationary Period. A Spouse and Dependent Children are eligible for coverage under this Policy as long as such eligible person becomes an Insured. Eligible classes are described in the group application that forms a part of this Policy.

#### DATE INSURANCE TAKES EFFECT

An eligible person will be insured on the first day of the month following the date that he or she is eligible, subject to written application on a form acceptable to Us, approval by Us, and payment of the premium either by such person, if Contributory, or by the Policyholder on such person's behalf, if Non-contributory.

**DEFERRED EFFECTIVE DATE :** If an eligible person is hospitalized on the date his or her insurance under this Policy is otherwise to take effect, such insurance will take effect on the day after such person is discharged.

**ADDITION OF NEW ELIGIBLE PERSONS:** New eligible persons may be added from time to time in accordance with the terms of this Policy.

#### LATE ENROLLEES

If an eligible person does not enroll when initially eligible, he or she will be considered a Late Enrollee. He or she may apply for insurance after the period of eligibility expires but he or she will have to provide, at his or her own expense, satisfactory evidence of good health. Insurance will become effective on the date We approve the application, subject to timely payment of premium.

**Change in Family Status:** If a person is a Late Enrollee, We will not require satisfactory evidence of good health if an employee makes request for coverage due to a Family Status Change. To qualify, he or she must enroll for coverage and provide proof of the Family Status Change within 31 days after the date of change.

The qualifying Family Status Changes acceptable to Us and satisfactory evidence of good health required for each change are listed below.

Family Status Changes	Acceptable Proof
Birth of a child	Birth certificate
Adoption of a child	Adoption papers
Death of a spouse	Death certificate
Divorce	Divorce decree
Marriage	Marriage certificate
Spouse's loss of a job	Separation papers from spouse's employer

### DEPENDENTS

#### DATE PERSONS ARE ELIGIBLE FOR INSURANCE

If Dependent coverage is available under the Policy, each Dependent will be eligible for such coverage on the latest of the following dates:

- (a) the day the Insured becomes eligible for insurance; or
- (b) the day the Insured acquires his or her first Dependent.

If both husband and wife are eligible for coverage under the Policy and have no Dependent children, the husband and wife may only elect individual coverage. If both husband and wife are eligible for coverage under the Policy and they have Dependent child(ren), either spouse, but not both, may elect Dependent coverage.

Dependent coverage may be elected by:

- (a) Completing and signing an application within 31 days of the date the Dependent becomes eligible;

The Effective Date of coverage for each eligible Dependent will be the first day of the month following Our:

- (a) acceptance of the application; and
- (b) receipt of the first premium.

However, if on such date the coverage for the eligible member has not yet taken effect, the effective date for Dependent coverage will be the same as the effective date for the Insured.

A newborn child will become insured for the Hospital Indemnity Benefits automatically on the day he or she is born as long as the Insured's coverage was in force on that date. Coverage includes prematurity, congenital defects and birth abnormalities. The newborn child's coverage will not continue past the 31-day period following birth unless:

- (a) We are notified by the end of that 31-day period of the addition of such newborn child; and
- (b) any applicable additional premium is paid.

An adopted child who has not attained 21 years of age, will become insured for Injury and Sickness automatically as of the date of adoption or placement for adoption as long as the Insured's insurance is in force. Placement for adoption means the assumption and retention by a person of legal obligation for total or partial support of a child in anticipation of the child's adoption. Coverage for an adopted child will not continue past the 31-day period following adoption or placement unless:

- (a) We are notified by the end of the 31-day period of the addition of such adopted child; and
- (b) any applicable additional premium is paid.

In all other instances if a Dependent is Totally Disabled on the date coverage (with respect to that particular Dependent) would otherwise take effect, the coverage of the Dependent will be deferred until the first of the month following the Dependent's cessation of Total Disability.

## **DEFERRED EFFECTIVE DATE**

If an eligible person, except for a newborn child, is hospitalized on the date his or her insurance under this Policy is otherwise to take effect, such insurance will take effect on the day after such person is discharged.

## **LATE ENROLLEES**

If an Insured does not enroll eligible Dependents when initially eligible, the Dependents are considered Late Enrollees. An Insured may apply for insurance for such Dependents after the period of eligibility expires will have to provide, at his or her own expense, satisfactory evidence of good health for each dependent. Insurance will become effective on the date We approve the application, subject to timely payment of premium.

## **SECTION 3 – BENEFIT PROVISIONS**

### **HOSPITAL INDEMNITY INSURANCE**

Subject to all of the terms and provisions of the Policy, We will pay Covered Benefits as shown in the Schedule for one or more of the following:

#### **Daily In-Hospital Indemnity Benefit**

We will pay the Daily In-Hospital Indemnity Benefit shown in the Schedule for each day a Covered Person is Confined in a Hospital as a result of Injury or Sickness except for Mental Illness or Substance Abuse. Benefits are payable for the period such person is so confined and receiving medical care and regular attendance of a Physician. The period of payment shall not exceed the number of days shown in the Schedule for all Injury and Sickness during a Calendar Year.

#### **Daily In-Hospital Indemnity Benefit for Intensive Care Unit**

We will pay the Daily In-Hospital Indemnity Benefit shown in the Schedule for each day a Covered Person is Confined in an Intensive Care Unit (ICU) as a result of Injury or Sickness except for Mental Illness or Substance Abuse. Benefits are payable for the period such person is so confined and receiving medical care and regular attendance of a Physician. The period of payment shall not exceed the number of days shown in the Schedule for all Injury and Sickness during a Calendar Year.



## **PLAN A - Scheduled Non-Hospital Medical Benefits with Inside Limits**

Benefit payments are based on a percentage of the Resource Based Relative Value System (RBRVS) adopted by Medicare. The maximum benefit payable for each of the following benefits is as shown in the Schedule.

### **Surgical Indemnity Benefit**

If a Covered Person has a covered surgery performed while Confined in a Hospital or on an Outpatient basis, We will pay the Surgical Indemnity Benefit amount. The percent for RBRVS and benefit maximum are shown in the Schedule.

If two or more procedures are performed through the same incision or operative field, payment will be made only for the procedure of the larger benefit. If more than one procedure is performed but each through separate incisions or in a separate operative field, the amount payable shall be the specified amount for the primary procedure plus 50% of the amount payable for all other surgical procedures performed.

### **Physician Office Visit Indemnity Benefit**

We will pay the Physician Office Visit Indemnity Benefit, as shown in the Schedule, for a Physician office visit as a result of Sickness or Injury. The visit must be made to the Physician's office or clinic. It is not payable for a surgeon's visit in a Hospital following surgery. The benefit will not exceed the Maximum Number of Office Visits per Calendar Year, as shown in the Schedule. The percent for RBRVS and benefit maximum are shown in the Schedule.

### **Child Wellness /Preventive Care Benefit**

We will pay the Wellness/Preventive Care Benefit, as shown in the Schedule, when a Covered child visits a Physician for a well checkup. We will pay the amount shown in the Schedule for each visit up to the maximum number of visits shown in the Schedule. The percent for RBRVS and benefit maximum are shown in the Schedule.

### **Adult Wellness /Preventive Care Benefit**

We will pay the Wellness/Preventive Care Benefit, as shown in the Schedule, when a Covered adult visits a Physician for a well checkup. We will pay the amount shown in the Schedule for one wellness annual physical visit per Calendar Year. The percent for RBRVS and benefit maximum are shown in the Schedule.

#### SECTION 4 - EXCLUSIONS AND LIMITATIONS

With respect to all of the benefits provided under the Policy, no benefits will be payable as the result of:

- (a) suicide or any attempt thereat, while sane or insane. If any Covered Person, sane or insane, should die by suicide within two years (one year in Colorado and North Dakota) of his or her Effective Date of coverage, Life Insurance benefits will not be payable; (In Missouri, the reference to insanity does not apply and suicide is no defense to payment under this Policy where the Covered Person is a Missouri citizen unless We can show that the Covered Person intended suicide when he or she applied for coverage, regardless of any language to the contrary in the Policy.)
- (b) any intentionally self-inflicted injury or Sickness;
- (c) rest care or rehabilitative care and treatment;
- (d) cosmetic surgery or care or treatment solely for cosmetic purposes, or complications therefrom. This exclusion does not apply to cosmetic surgery resulting from an Injury if initial treatment of the Covered Person is begun within 12 months of the date of the Accident;
- (e) immunization shots and routine examinations such as: health exams; periodic check-ups; pre-marital exams; and routine physicals, except as otherwise covered under the Policy;
- (f) routine newborn care, including routine nursery charges;
- (g) voluntary abortion, except with respect to the Insured or covered Dependent spouse where such person's life would be endangered if the fetus were carried to term or where medical complications have arisen from an abortion;
- (h) pregnancy of a Dependent child, unless required by law;
- (i) a Covered Person's participation in a riot, civil commotion, civil disobedience, or unlawful assembly. This does not include a loss which occurs while acting in a lawful manner within the scope of authority;
- (j) a Covered Person committing, attempting to commit, or taking part in a felony, or engaging in an illegal occupation;
- (k) a Covered Person's participation in a contest of speed in power driven vehicles, parachuting, parasailing, bungee-jumping, or hang gliding;
- (l) air travel, except:
  - (1) as a fare-paying passenger on a commercial airline on a regularly scheduled route; or
  - (2) as a passenger for transportation only and not as a pilot or crew member;
- (m) any Accident occurring as a result of the Covered Person being intoxicated (where the blood alcohol content meets the legal presumption of intoxication under the law of the state where the Accident took place);
- (n) sex changes;
- (o) experimental treatments or surgery;
- (p) the reversal of tubal ligation and vasectomies;
- (q) artificial insemination, in vitro fertilization, and test tube fertilization, including any related testing, medications, or Physician's services, unless required by law;
- (r) treatment of exogenous obesity or weight control;
- (s) an act of war, whether declared or undeclared, or while performing police duty as a member of any military or naval organization. This exclusion includes Injury sustained or Sickness contracted while in the service of any military, naval or air force of any country engaged in war. We will refund the pro rata unearned premium for any such period the Covered Person is not covered;
- (t) Injury or sickness arising out of and in the course of any occupation for compensation, wage or profit. Expenses which are payable under Occupational Disease Law or similar law, whether or not application for such benefits have been made;
- (u) Pre-Existing Conditions; and
- (v) the service or treatment is rendered outside the territorial limits of the United States of America.

In addition to the Exclusions and Limitations for all coverages, the following are not covered under the Physician Office Visit Indemnity Benefit and the Diagnostic X-Ray and Laboratory Indemnity Benefit:

- (a) visits made, examinations given, or x-rays or laboratory tests performed as an in-patient while Confined to a Hospital;
- (b) routine eye examinations or fitting of glasses;
- (c) fitting of hearing aids;
- (d) dental examinations or dental care other than expenses resulting from accidental injury; and
- (e) benefits which are provided under any other part of the Policy.

## SECTION 5 – TERMINATION OF INSURANCE

**POLICYHOLDER TERMINATION:** After the first anniversary, the We may terminate this Policy at any time by written notice delivered to the Policyholder or mailed to its last address as shown on Our records. The written notice shall state when, not less than 31 days thereafter, such termination shall be effective. We may also terminate a portion of the risk insured under the Policy on a class basis, such as termination of all persons within the same Enrolling Group, or same geographic, occupational, or eligibility class..

The Policyholder may terminate this Policy at any time by written notice delivered or mailed to Us effective on receipt or on such later date as may be specified in the notice.

In the event of such termination by either the Policyholder or Us, We shall promptly return on a pro rata basis the unearned premiums paid, if any, and the Policyholder shall promptly pay on a pro rata basis the earned premium which has not been paid. Such cancellation shall be without prejudice to any claim originating prior to the effective date of such cancellation.

**TERMINATION OF A COVERED PERSON'S INSURANCE:** The insurance on an Insured will cease on the earliest of:

- (a) the first day of the month following the date an Insured ceases to be a member of a class eligible for coverage as shown in the group application;
- (b) the end of the last period for which premium payment has been made to Us, subject to the Grace Period;
- (c) the first day of the month following the date the Covered Person attains the Limiting Age shown in the Schedule; or
- (d) the date the Policy terminates.

The insurance on a Dependent will cease on the earliest of:

- (a) the date the Insured's coverage terminates;
- (e) the Covered Person attains the limiting age for eligibility;
- (a) the end of the last period for which premium payment has been made to Us, subject to the Grace Period;
- (b) the date the Dependent no longer meets the definition of Dependent, as defined in the Policy; or
- (c) the date the Policy is modified so as to exclude Dependent coverage.

We shall have the right to terminate the coverage of any Covered Person who submits a fraudulent claim under the Policy.

**EXTENSION OF BENEFITS:** Whenever termination of coverage under this section occurs because of termination of the Insured's eligibility, such termination shall be without prejudice to:

- (a) any Hospital Confinement which commenced while the Policy was in force, with respect to In-Hospital Indemnity Benefits; or
- (b) any covered treatment or service for which benefits would be provided under the Hospital Indemnity Benefits of the Policy and which commenced while the Policy was in force; provided; however, that the Covered Person is and continues to be Hospital Confined or Totally Disabled. Such Extension of Benefits shall continue for up to 90 days.

## SECTION 6 – PREMIUMS

All premiums are payable on or before the date they are due. Premiums are payable by a mode of payment that has been agreed upon between the Policyholder and Us. The premiums are shown in the Schedule.

**RATE CHANGE:** After the first Policy Anniversary Date, We have the right to change rates as of any Premium Due Date. However, We will not change the Policy rates more than once in any 12-month period. We will notify the Policyholder in writing at least 31 days prior to the change in rates. The rates may change prior to this time however, for reasons that affect the insured risk, which include:

- (a) a change in benefits;
- (b) a new Law or a change in any existing Law is enacted which applies to the Policy; or
- (c) a material change in the composition of the group such as the addition of a subsidiary or affiliate.

A change may take effect on an earlier date if both the Policyholder and We agree to it. Except in the case of fraud, premium adjustments, refunds or charges will be made for only the current Policy year.

**POLICYHOLDER GRACE PERIOD:** The Policyholder has a 31-day Grace Period from the Premium Due Date for payment of each premium after the first premium payment. During the Grace Period, the insurance will remain in effect. No Grace Period is provided when, prior to the end of the Grace Period, the Policyholder has given Us notice of intent to terminate the Policy. In addition, there is no grace period if Our Agent or We deliver or mail to the Policyholder, at least 60 days before the premium due date, a notice of Our intent to not renew the Policy.

## SECTION 7 – GENERAL POLICY PROVISIONS

**ENTIRE CONTRACT/CHANGES:** This Policy, including riders and endorsements, the Group application attached to the Policy at issue, individual enrollment forms, and the attached papers, if any, constitute the entire contract of insurance. No change in this Policy shall be valid until approved by an executive officer of the Company and unless such approval is endorsed hereon. No agent has authority to change this Policy or to waive any of its provisions.

All statements made by the Policyholder and Insureds are deemed representations and not warranties. No such statement will cause the Company to deny or reduce benefits or be used as a defense to a claim unless a copy of the instrument containing the statement is in writing and signed by the Policyholder or Insured, and is or has been furnished to such Policyholder or Insured, as appropriate. No alteration of any written application for insurance by erasure, insertion, or otherwise may be made by any person other than the applicant without his or her written consent. However, insertions may be made by the insurer, for administrative purposes only, in a manner that clearly indicates that the insertions are not to be ascribed to the applicant.

**INCONTESTABILITY:** After two (2) years from the Policy Effective Date no statement, except a fraudulent misstatement, will cause the Policy to be contested.

**CONFORMITY WITH STATE LAWS:** A provision of the Policy that, on the Effective Date, conflicts with a law of the state of issue is hereby changed to meet the minimum standards of that law as of the Effective Date.

**CERTIFICATE OF INSURANCE:** The Company shall issue to the Policyholder for delivery to each Insured, an individual certificate that shall state the essential features of insurance to which such person is entitled and to whom benefits are payable if required to do so by the laws of the state where the Insured resides when his or her insurance becomes effective. If more than one Certificate is issued under the Policy to an Insured, only the last one issued will be in effect.

**DATA FURNISHED BY THE POLICYHOLDER:** The Policyholder or its designee must give Us the following information, upon Our request:

- (a) the names of all persons initially eligible for coverage;
- (b) the names of all additional persons who become eligible for coverage;
- (c) the names of all persons whose amount of insurance is to be changed;
- (d) the names of all persons whose eligibility for insurance is terminated; and
- (e) any other data We deem necessary to audit or administer the insurance provided by the Policy.

**EXAMINATION AND AUDIT:** We shall be permitted to examine the Policyholder's records relating to this Policy at any time during the Policy term and within three years after expiration of the Policy or until final adjustment and settlement of all claims hereunder, whichever is later. Once an error is discovered, an equitable adjustment in premium will be made. If the premium adjustment involves the return of unearned premium, the amount of the return will be limited to the 12-month period, which precedes the date We receive proof such an adjustment should be made.

**EVIDENCE OF INSURABILITY:** We may request evidence of insurability for Late Enrollees only

## SECTION 8 – CERTIFICATE PROVISIONS

**TIME LIMIT ON CERTAIN DEFENSES:** If an Insured made a misstatement on the enrollment form, We may not use it to void insurance under this Policy or to deny a claim for loss incurred after 2 years from the Covered Person's effective date. However, if the misstatement was fraudulent, there is no time limit. If the Insured requests an increase in benefits, a new 2 year time limit period will apply to the increase in benefits only.

**NOTICE OF CLAIM:** Written notice of claim must be given to Us at Our home office or to Our authorized Agent. Such notice should be made within 20 days after any loss covered by the Policy. If it is not reasonably possible to give notice within that time, the claim may not be denied or reduced due to the delay. Notice give by or on behalf of the claimant to Us or to any authorized Agent with information sufficient to identify the Covered Person shall be deemed notice to Us.

**CLAIM FORMS:** We, upon receipt of a notice of claim, will furnish to the claimant such forms as are usually furnished by it for filing proofs of loss. If such forms are not furnished within fifteen days after the giving of such notice, the claimant shall be deemed to have complied with the requirements of this Policy as to proof of loss upon submitting, within the time fixed in the Policy for filing proofs of loss, written proof covering the occurrence, the character and the extent of the loss for which claim is made.

**PROOFS OF LOSS:** Written proof of loss must be furnished to Us at Our said office within ninety days after the date of such loss. Failure to furnish such proof within the time required shall not invalidate nor reduce any claim if it was not reasonably possible to give proof within such time, provided such proof is furnished as soon as reasonably possible and in no event, except in the absence of legal capacity, later than one year from the time proof is otherwise required.

**TIME OF PAYMENT OF CLAIM:** Indemnities payable under this Policy for any loss will be paid immediately upon receipt of due written proof of such loss.

**PAYMENT OF BENEFITS:** Loss of life benefits are payable in accordance with the beneficiary designation in effect at the time of payment. If none is then in effect, the benefits will be paid to the Insured's estate. Any accrued benefits unpaid at death may be paid, at Our option, either to his or her beneficiary or estate. All other benefits will be paid to the Insured. If benefits are payable to the Insured's estate or to a beneficiary who cannot execute a valid release, We may pay benefits up to \$5,000 to someone related to the Insured or his or her beneficiary by blood or marriage whom is considered to be entitled to the benefits. We will be discharged to the extent of any such payment made in good faith.

**ASSIGNMENT, CHANGE OF BENEFICIARY:** Health Indemnity Benefits may be assigned to the provider(s) of such benefits. An Insured may change the beneficiary under this Policy by giving Us written notice to its Home Office or to Our Agent. The change or assignment will not be effective until We receive the written notice. The beneficiary's consent is not required to make any change in this Policy or to surrender or assign this Policy unless the Insured named an irrevocable beneficiary and expressly stated that it could not be changed. We assume no responsibility for the validity of any assignment. If this insurance replaced group insurance that was in effect with another insurance company, We will use the beneficiary designation in effect under such prior plan, unless changed by the Insured according to this Policy.

**PHYSICAL EXAMINATION AND AUTOPSY:** We have the right to have a Covered Person examined by a Physician of Our choice as often as reasonably necessary while a claim is pending. We will pay for such examination. In case of death, We may request an autopsy where it is not forbidden by law. These will be done at Our expense. Any autopsy will be performed in South Carolina.

**LEGAL ACTIONS:** No action at law or in equity shall be brought to recover on this Policy prior to the expiration of sixty day after written proof of loss has been furnished in accordance with the requirements of this Policy. No action shall be brought after the expiration of six years after the time written proof of loss is required to be furnished.

**MISSTATEMENT OF AGE:** If the age of any Covered Person is incorrectly stated, the amount of benefits payable will be the amount shown on the Schedule. The premium will be adjusted so that We will be paid any amount due based on such Covered Person's true age.



# PRESIDENTIAL LIFE INSURANCE COMPANY



69 LYDECKER STREET  
NYACK, NEW YORK 10960  
(800) 926-7599

(called We, Us or Our)

Presidential Life Insurance Company, a stock company herein referred to as We, Us or Our, certifies that the person named in the Certificate Schedule, herein referred to as You, are insured for the benefits described in this certificate. This insurance is subject to the eligibility and effective date requirements of the Group Policy.

Your insurance is effective at 12:01 a.m. Standard Time at the address of the Policyholder on the Certificate Effective Date shown in Your Certificate Schedule.

## ~~THIRTY~~ DAY FREE LOOK

You may cancel the insurance described in this certificate at any time during the ~~30 day~~ period after You receive this certificate. Mail this certificate with Your written request for cancellation to Our Agent or Us. We will promptly refund the premium paid and the insurance will be void.

## IMPORTANT NOTICE

This certificate is a summary of the Group Policy provisions that affect Your insurance. It is merely evidence of the insurance provided by such policy. The group is a contract between the Policyholder and Us. It may be changed or ended without notice or consent of any Covered Person.

This certificate replaces any certificate previously issued by Us to You under the Group Policy.

The benefits described in this certificate are provided by the Group Policy no. shown on the Schedule, issued to the Policyholder whose name is shown on the Schedule.

Signed for

**PRESIDENTIAL LIFE INSURANCE COMPANY**

Secretary

Chairman of the Board

**GROUP HOSPITAL INDEMNITY CERTIFICATE**  
LIMITED BENEFIT COVERAGE PROVIDING BENEFITS ON AN INDEMNITY BASIS  
READ YOUR CERTIFICATE CAREFULLY

NON-PARTICIPATING

~~CONTRIBUTORY/NON-CONTRIBUTORY~~

## TABLE OF CONTENTS

### SCHEDULE OF BENEFITS

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### AMENDMENT RIDERS, IF ANY

## SCHEDULE OF BENEFITS

POLICYHOLDER: *United Association of Small Business*

GROUP POLICY NUMBER: [GHIP12345678]

~~[PARTICIPATING ENTITY: [ NOT APPLICABLE ]]~~

INSURED PERSON: [John Doe]

CERTIFICATE EFFECTIVE DATE: [December 1, 2009]

STATE OF JURISDICTION: *Arkansas*

~~[Limiting Age: 65]~~

~~[Probationary Period: 30 Days]~~ ← Does not apply to the UASB.

↓ *Benefits not elected by the UASB have struck through in the following schedule.* ↓

### ~~[LIFE INSURANCE~~

#### ~~DEATH BENEFIT~~

<del>Insured Person</del>	<del>\$</del>
<del>Dependent Spouse*</del>	<del>\$</del>
<del>Each Dependent Child*</del>	<del>\$</del>
<del>10 days to 6 months</del>	<del>\$</del>
<del>6 months to age 21 [23]</del>	<del>\$</del>

~~\*At no time may a covered Dependent's amount of Life Insurance exceed the lesser of 50% of Your Death Benefit or the maximum amount permitted by law.~~

### ~~[ACCIDENTAL DEATH AND DISMEMBERMENT INSURANCE~~

#### ~~PRINCIPAL SUM~~

<del>Insured Person</del>	<del>\$</del>
<del>Dependent Spouse*</del>	<del>\$</del>
<del>Each Dependent Child*</del>	<del>\$</del>
<del>10 days to 6 months</del>	<del>\$</del>
<del>6 months to age 21 [23]</del>	<del>\$</del>

~~\*At no time may a covered Dependent's Principal Sum exceed the lesser of 50% of Your Principal Sum or the maximum amount permitted by law.~~

### ~~[HOSPITAL INDEMNITY INSURANCE WITH ANCILLARY BENEFITS~~

#### HOSPITAL INDEMNITY BENEFITS

~~[Daily In-Hospital Indemnity Benefit (does not include Confinement for Substance Abuse or Mental Illness)~~

<del>First Day of Confinement</del>	<del>[\$100][1,000][2,000]</del>
<del>Confinement Day 2 through Day 30</del>	<del>[\$100][500][1,000]</del>
<del>Maximum Number of Days Per Calendar Year per Covered Person</del>	<del>30 Days</del>

~~[Daily In-Hospital Indemnity Benefit for Confinement in an Intensive Care Unit (ICU)~~

~~Maximum Number of Days Per Calendar Year per Covered Person~~

~~15 Days~~

~~[Daily In-Hospital Indemnity Benefit for Substance Abuse~~

~~\$~~

~~Maximum Number of Days Per Calendar Year per Covered Person~~

~~}~~

~~[Daily In-Hospital Indemnity Benefit for Mental Illness~~

~~\$~~

~~Maximum Number of Days Per Calendar Year per Covered Person~~

~~}~~

~~[Daily Benefit for Confinement in Skilled Nursing Facility~~

~~\$~~

~~Maximum Number of Days Per Calendar Year per Covered Person~~ ~~\$ \_\_\_\_\_ }~~  
~~Maximum inpatient benefits per policy year~~

~~Supplemental Inpatient Benefit (excludes Skilled Nursing Facility, Substance Abuse, and Mental Illness)~~  
~~Per Diem~~ ~~\_\_\_\_\_ }~~

### ANCILLARY MEDICAL BENEFITS

☐ **PLAN A** - Scheduled Non-Hospital Medical Benefits with Inside Limits  
 [80%] of RBRVS per procedure, diagnosis, service or treatment or the amount shown opposite the Benefit.

~~Ambulance Transportation Benefit~~  
~~Maximum Benefit for each service provided per Calendar Year~~ ~~[\$300]~~  
~~Maximum for all ground and air ambulance services per Calendar Year~~ ~~[\$1500]~~  
 The above should be removed, we don't see that this was selected? ← Remove

☐ Outpatient Surgical Indemnity Benefit – \$[500][1,000][2,000]  
 Maximum Benefit per Calendar Year

☐ Inpatient Surgical Indemnity Benefit – \$[2,000][4,000][8,000]  
 Maximum Benefit per Calendar Year

~~Anesthesia Benefit~~  
~~Maximum Benefit per Calendar Year~~ }

☐ Physician Office Visit Indemnity Benefit  
 Benefit per Visit \$[25][50][50]  
 Maximum number of visits per Covered Person per Calendar Year [5][5][5]  
 Maximum number of visits per family per Calendar Year [30][30][30]

~~Physician In-Hospital Visit Indemnity Benefit~~  
~~Benefit per Visit~~ \$  
~~Maximum number of visits per Covered Person per Calendar Year~~

~~Diagnostic X-ray and Laboratory Indemnity Benefit Maximum Benefit per Calendar Year per Covered Person~~ ~~\$ \_\_\_\_\_ }~~

~~Accidental Injury Indemnity Benefit~~  
~~Maximum Benefit per Accident per Covered Person~~ ~~\$ \_\_\_\_\_ }~~  
~~Maximum Benefit per year~~

☐ Child Wellness/Preventive Care Benefit Per Visit  
 Maximum number of visits per Calendar Year per Covered child [5][5][5] visits  
 Maximum benefit per year \$[0][100][100]

Adult Wellness/Preventive Care Benefit  
 Maximum benefit for annual physical \$[0][100][100]

~~Emergency Room Visit Benefit ← There is an "ER Contribution %"~~  
~~Maximum Benefit Per Emergency Room Visit per Covered Person~~ ~~\$ \_\_\_\_\_~~  
~~Maximum Number of Emergency Room Visits per Covered Person per Calendar Year~~ }  
~~Annual Maximum per year~~

☐ **PLAN B** — Medical Surgical Benefits — Stated Maximum

~~[%] of RBRVS per procedure, diagnosis or treatment~~  
~~Annual Maximum Benefit per Covered Person per Calendar Year: \$~~

~~**[ ] PLAN B — Accident Only Medical Surgical Benefits — Stated Maximum**~~

~~[%] of RBRVS per procedure, diagnosis or treatment~~  
~~Annual Maximum Benefit per Covered Person per Calendar Year: \$~~

~~**[ ] DENTAL CARE BENEFIT**~~

~~[Dental Care Benefit~~

<del>Waiting Period per Covered Person</del>	<del>X Days</del>
<del>Class 1</del>	<del>X%</del>
<del>Class 2</del>	<del>X%</del>
<del>Class 3</del>	<del>X%</del>
<del>Deductible per Covered Person Per Calendar Year</del>	<del>\$</del>
<del>Classes subject to deductible</del>	
<del>Waiting Period per Covered Person</del>	<del>[30 days]</del>
<del>Maximum Benefit for all Procedures per Covered Person per Calendar Year</del>	<del>\$</del>

~~**[ ] VISION CARE BENEFIT**~~

~~[Vision Care Benefit~~

<del>Lifetime Deductible — Examinations</del>	<del>\$</del>
<del>Lifetime Deductible — Lenses</del>	<del>\$</del>
<del>Lifetime Deductible — Frames/Contact Lenses</del>	<del>\$</del>
<del>Maximum Benefits:</del>	
<del>Maximum Vision Examination Benefit per Calendar Year</del>	<del>\$</del>
<del>Maximum Benefit for Frames</del>	<del>\$</del>
<del>Maximum Benefit for Lenses:</del>	
<del>Single</del>	<del>\$</del>
<del>Bifocal</del>	<del>\$</del>
<del>Trifocal</del>	<del>\$</del>
<del>No line bifocal or progressive power</del>	<del>\$</del>
<del>Lenticular</del>	<del>\$</del>
<del>Contact Lenses</del>	<del>\$</del>

## Section 1 - DEFINITIONS

As used in this Policy, the following definitions apply:

### ~~Active Service.~~

~~The You are:~~

- ~~(a) doing in the usual manner all of the regular duties of Your employment on a scheduled work day; and~~
- ~~(b) those duties are being done at one of the places of business where You normally does such duties or at some location to which Your employment sends him or her.~~

~~You will be considered to be on Active Service on a day which is not a scheduled work day only if You would be able to perform in the usual manner all of the regular duties of Your employment if it were a scheduled work day and was actively at work on the last preceding regular work day.]~~ *← This applies to employer groups only; UASB is an association, not an employer based group.*

### Calendar Year.

The period from January 1 through December 31 of the same year.

### Certificate.

The individual certificate issued to You. It describes the coverage under the Policy.

### Complications of Pregnancy.

Any condition that requires medical treatment or Hospital confinement prior to or subsequent to the termination of the pregnancy whose diagnosis is distinct from, but is adversely affected by the pregnancy. Such conditions include, but are not limited to: (1) acute nephritis; (2) nephrosis; (3) cardiac decompensation; (4) missed abortion; and, (5) similar conditions of comparable severity. A complication of pregnancy will also include non-elective cesarean section or termination of pregnancy that occurs during a period of gestation when a viable birth is possible. "Complications of Pregnancy" will not include: (1) false labor; (2) occasional spotting; (3) prescribed bed rest; (4) morning Sickness; or, (5) similar conditions that are common to the care of a difficult pregnancy.

### Confinement or Confined.

The period of time during which a Covered Person is confined in a Hospital as a resident bed patient. Confinement does not include that period of time during which a Covered Person is in a Hospital emergency room, an observation room, a freestanding surgical facility, or outpatient facility.

### ~~Contributory.~~

~~The You pay all or a portion of the premium for Your insurance and for Your Covered Dependents, if any. The premium that is due and payable by You are shown in the Certificate Schedule. If the Policy is Contributory, this is stated in the group application.]~~

### Covered Benefits.

Those services or supplies shown in the Hospital Indemnity and Medical-Surgical Benefit(s), if included in this Policy, that:

- (a) are for necessary treatment and recommended by a Physician;
- (b) are received while the Covered Person is insured under the Policy, subject to any Extension of Benefits; and
- (c) are not excluded under Section 4 of the Policy.

### Covered Person(s).

You and Your Dependents who are insured under the Policy.

### ~~Dental Hygienist.~~

~~A legally qualified person, other than a member of a Covered Person's Immediate Family, who is licensed by the state to treat the type of condition for which a claim is made.]~~ *← Definition not needed, Dental Care benefits not elected.*

### ~~Dentist.~~

~~A legally qualified person, other than a member of a Covered Person's Immediate Family, who is licensed by the state to treat the type of condition for which a claim is made.]~~ *← Definition not needed, Dental Care benefits not elected.*

**Dependent.**

Your :

- (a) married spouse who lives with You and is under age 65; or
- (b) unmarried natural child, step child, adopted child or a child during the pendency of adoption who is not eligible for insurance as an Insured under the Policy and who:
  - (1) is less than 21 years old and is dependent on You; or
  - (2) is less than 23 and going to an accredited school full time. Such child must be dependent on You for principal support and maintenance; or
  - (3) becomes incapable of self-support because of mental retardation or physical handicap while insured under the Group Policy and prior to reaching the limiting age for dependent children. The child must be dependent on You for support and maintenance. You must provide proof of such incapacity at Your expense at Our request, otherwise insurance will terminate at the limiting age. If proof is provided, then coverage will continue for as long as Your insurance stays in force and the child remains incapacitated. You must notify Us when the dependent child is no longer incapacitated or dependent upon You.
- (4) is not living with You, but the You are legally required to support such child, and the child would otherwise qualify under (1), (2) or (3) above.

The term Dependent does not include:

- (a) Your a grandchild (except where required by law); or
- (b) a child who engages for compensation, profit or gain in any employment or business for 30 or more hours per week, unless such child is a full-time student as described in (b)(2) above.

**Hospital.**

A licensed institution that has on its premises:

- (a) permanent and full-time facilities for the care of overnight resident bed patients under the supervision of a licensed Physician;
- (b) 24-hour-a-day nursing service by graduate registered nurses; and
- (c) the patient's written history and medical records.

It shall also have (or have available on a pre-arranged basis) laboratory, x-ray equipment and operating rooms where major surgical operations may be performed by licensed Physicians, or be accredited by the Joint Commission on Accreditation of Hospitals.

Hospital shall not include any institution or portion thereof used as a place for rehabilitation, rest, the aged, education or training; or a nursing or convalescent home or an extended care facility for the care of convalescent patients.

**Immediate Family.**

The parents, spouse, children, or siblings of a Covered Person, or any person residing with a Covered Person.

**Injury.**

Accidental bodily Injury sustained on or after the Covered Person's Effective Date that causes a loss independent of any other cause. Such accident must occur while this Policy is in force. All injuries to the same Covered Person sustained in any one accident, including all related conditions and recurring symptoms of the Injuries, will be considered one Injury.

**Intensive Care Unit**

A special area in a Hospital that is:

- (a) for the treatment of patients who are in acute and critical condition;
- (b) furnished with emergency life saving equipment and supplies that are immediately at hand;
- (c) staffed 24 hours a day by nurses who are specially trained to work in such special areas; and
- (d) equipped and staffed to monitor each patient's vital signs around-the-clock.

A recovery room, an area primarily for post-operative or post-anesthesia care, is not considered as an Intensive Care Unit.

**Late Enrollee.**

With regard to You, if You enrolls more than 31 days after You are first eligible to enroll, You are considered at Late Enrollee. With regard to Dependents, it means the Dependent who is enrolled for Dependent coverage more than 31 days after such Dependent's initial eligibility period.

**Medically Necessary.**

The services or supplies provided by a Hospital or Physician that are required to identify or treat an Injury or Sickness and which, as determined by Us, are:

- (a) consistent with the symptom or diagnosis and treatment of a Covered Person's condition, Sickness or Injury;
- (b) appropriate with regard to standards of good medical practice;
- (c) not solely for the convenience of a Covered Person, a Physician or other provider; and
- (d) the most appropriate supply or level of service that can be safely provided to the Covered Person.

**Mental Illness.**

Any Sickness, disease or disorder, which is:

- (a) listed in the current edition of the Diagnostic and Statistical Manual of Mental Health Disorders (or any successor diagnostic manual) published by the American Psychiatric Association; and
- (b) usually treated by a mental health provider or other qualified provider, using psychotherapy, psychotropic drugs or other similar methods of Treatment.

Mental Illness includes any such conditions whether or not related to an underlying physical, genetic, chemical, organic or biological cause, although it may be associated with physical symptoms, manifestations or expressions. Specific conditions include, but are not limited to: bipolar disorder; depression and depressive disorders; psychoses; mood disorders; manic-depressive illness; anxiety disorders; stress disorders including post-traumatic stress disorders; somatoform disorders; factitious disorders; eating disorders; adjustment disorders; and personality disorders. However, for purposes of the Policy, Mental Illness does not include mental retardation or Alzheimer's disease and other forms of dementia with an objectifiable organic basis.

**~~{~~Non-contributory.**

The You pay no portion of the premium for Your insurance. If the Policy is Non-Contributory, this is stated in the group application. The You are responsible for the premium for Your Covered Dependents.~~}~~

**~~{~~Ophthalmologist.** *← Definition not needed, Dental Care benefits not elected.*

~~A person who is licensed by the state in which You practices as a Doctor of Medicine or Osteopathy and is qualified to practice within the medical specialty of ophthalmology, who is not:~~

- ~~(a) a member of the Covered Person's Immediate Family; or~~
- ~~(b) retained by the Policyholder.~~

**~~{~~Optometrist.** *← Definition not needed, Dental Care benefits not elected.*

~~A person who is licensed to practice optometry as defined by the laws of the state in which his or services are rendered and who is not:~~

- ~~(a) a member of the Covered Person's Immediate Family; or~~
- ~~(b) retained by the Policyholder.~~

**~~{~~Outpatient.**

Services and supplies provided by a Physician to a Covered Person for treatment either outside a Hospital or Skilled Nursing Facility or from an outpatient department of a Hospital or Skilled Nursing Facility or licensed ambulatory surgical center.~~}~~

**Physician.**

A practitioner of the healing arts who:

- (a) is practicing within the scope of Your license in the state where so licensed; and
- (b) is not a member of the Covered Person's Immediate Family; and
- (c) provides treatment or service covered under the Policy.

**Policy.**

The policy issued to the Policyholder.

**Policyholder.**

The entity named on the face page of the Policy.

**~~{~~Pre-existing Condition Limitations.**

A condition for which medical treatment was rendered or recommended by a Physician or for which drugs or medicine was prescribed within ~~{12}~~ months prior to a Covered Person's Effective Date. A condition shall no longer be considered a Pre-Existing Condition after the first to occur of:



- (a) the date a Covered Person has been treatment free with respect to such Pre-existing Condition for ~~{12}~~ consecutive months while such person is covered under this Policy; or
- (b) the date a person has been covered under this Policy for ~~{24}~~ consecutive months.}

~~**Probationary Period.**~~ *← Does not apply to the UASB.*

~~The continuous length of time that an eligible person must be in Active Service before becoming eligible to enroll for coverage. The Probationary Period is shown on the Schedule of Benefits.~~

#### **Resource Based Relative Value System, referred to as RBRVS.**

The methodology used by the federal government to determine benefits payable under Medicare. Medicare assigns a "Relative Value Unit" or RVU to thousands of procedure codes used to bill physician and other services. The total RVU is the sum of three component RVUs including the Work RVU, the Practice Expense RVU and the Malpractice RVU. The Work RVU takes into account factors such as the amount of time required to perform the service and the degree of skill required to perform it. The Practice Expense RVU takes into account the location of the service, e.g., office setting, outpatient setting, etc. The Malpractice RVU takes into account the malpractice cost associated with a particular practice. We will base benefits payable on RBRVS.

#### **Schedule of Benefits (or Schedule).**

The benefit schedule set forth in the Policy or Certificate.

#### **Sickness.**

Sickness or disease that is first diagnosed or treated while a Covered Person's insurance is in force, whose Sickness is the basis of claim, and which results in loss covered by this Policy.

~~**Skilled nursing facility.**~~ *← Definition not needed, SNF benefits not elected.*

- ~~(a) a special unit or ward of a Hospital used primarily as a nursing or convalescent home; or~~
- ~~(b) an institution that has a transfer agreement with one or more Hospitals and meets fully all of the requirements of Title XVIII of the Social Security Act of 1965, as now or hereafter amended, commonly known as "Medicare".~~

#### **Substance Abuse.**

Alcoholism, or the non-medical use of narcotics, sedatives, stimulants, hallucinogens, or any other such substance, whether or not prescribed by a Physician.

#### **Total Disability or (Totally Disabled).**

The You are disabled and prevented from performing the material and substantial duties of Your occupation. For Dependents, Totally Disabled means the inability to perform a majority of the normal activities of a person of like age in good health.

~~**Vision Examination.**~~ *← Definition not needed, Vision benefits not elected.*

~~An examination of principal vision functions provided by an Ophthalmologist or Optometrist. A Vision Examination includes, but is not limited to, case history, examination for pathology or anomalies, job visual analysis, refraction, visual field testing and tonometry, if indicated.~~

#### **You, Yours.**

Any person who is eligible for insurance and has enrolled for coverage, paid the premium due, and been accepted by Us.

## SECTION 2 - EFFECTIVE DATES

### INSURED PERSONS

#### DATE INSURANCE TAKES EFFECT

You will be insured on the first day of the month following the date that You are eligible, subject to written application on a form acceptable to Us, approval by Us, and payment of the premium either by such person, if Contributory, or by the Policyholder on such person's behalf, if Non-contributory.

~~DEFERRED EFFECTIVE DATE~~ ← *Provision not needed for association groups; applies to employer groups only.*

~~If You are not in Active Service on the date Your insurance under this Policy is otherwise to take effect, such insurance will take effect on the day after the date You returns to Active Service.~~

#### LATE ENROLLEES

If an eligible person does not enroll when initially eligible, You will be considered a Late Enrollee. You may apply for insurance after the period of eligibility expires but You will have to provide, at Your own expense, satisfactory evidence of good health. Insurance will become effective on the date We approve the application, subject to timely payment of premium.

**Change in Family Status:** If a person is a Late Enrollee, We will not require satisfactory evidence of good health if an employee makes request for coverage due to a Family Status Change. To qualify, You must enroll for coverage and provide proof of the Family Status Change within 31 days after the date of change.

The qualifying Family Status Changes acceptable to Us and the satisfactory evidence of good health required for each change are listed below.

Family Status Changes	Acceptable Proof
Birth of a child	Birth certificate
Adoption of a child	Adoption papers
Death of a spouse	Death certificate
Divorce	Divorce decree
Marriage	Marriage certificate
Spouse's loss of a job	Separation papers from spouse's employer

### ~~DEPENDENTS~~

#### DATE PERSONS ARE ELIGIBLE FOR INSURANCE

If Dependent coverage is available under the Policy, each Dependent will be eligible for such coverage on the latest of the following dates:

- (a) the day You become eligible for insurance; or
- (b) the day You acquire Your first Dependent.

If both husband and wife are eligible for coverage under the Policy and have no Dependent children, the husband and wife may only elect individual coverage. If both husband and wife are eligible for coverage under the Policy and they have Dependent child(ren), either spouse, but not both, may elect Dependent coverage.

Dependent coverage may be elected by:

- ~~(a)~~ Completing and signing an application within 31 days (90 days for a newborn and 60 days for an adopted child) of the date the Dependent becomes eligible; ~~and~~
- ~~(b) By completing any required form of payroll deduction.~~

The Effective Date of coverage for each eligible Dependent will be the first day of the month following Our:

- (a) acceptance of the application; and
- (b) receipt of the first premium.

However, if on such date the coverage for the eligible ~~employee~~ ~~member~~ has not yet taken effect, the effective date for Dependent coverage will be the same as the effective date for You.

A newborn child will become insured for the Hospital Indemnity Benefits automatically on the day You are born as long as the Your coverage was in force on that date. Coverage includes prematurity, congenital defects and birth abnormalities. The newborn child's coverage will not continue past the 90 day period following birth unless:

- (a) We are notified by the end of that 90-day period of the addition of such newborn child; and
- (b) any applicable additional premium is paid.

An adopted child who has not attained 18 years of age, will become insured for Injury and Sickness automatically as of the date of adoption or placement for adoption as long as Your insurance is in force. Placement for adoption means the assumption and retention by a person of legal obligation for total or partial support of a child in anticipation of the child's adoption. Coverage for an adopted child will not continue past the 60-day period following birth unless:

- (a) We are notified by the end of the 60-day period of the addition of such adopted child; and
- (b) any applicable additional premium is paid.

In all other instances if a Dependent is Totally Disabled on the date coverage (with respect to that particular Dependent) would otherwise take effect, the coverage of the Dependent will be deferred until the first of the month following the Dependent's cessation of Total Disability.

#### **DEFERRED EFFECTIVE DATE**

If an eligible person, except for a newborn child, is hospitalized on the date Your insurance under this Policy is otherwise to take effect, such insurance will take effect on the day after such person is discharged.

#### **LATE ENROLLEES**

If You do not enroll eligible Dependents when initially eligible, the Dependents are considered Late Enrollees. You may apply for insurance for such Dependents after the period of eligibility expires will have to provide, at Your own expense, satisfactory evidence of good health for each dependent. Insurance will become effective on the date We approve the application, subject to timely payment of premium. This provision does not apply to Dependents who become eligible due to a Change in Family Status, described above

### ~~SECTION 3 – BENEFIT PROVISIONS~~

↓ Benefits not elected by the Policyholder have been struck through. ↓

#### ~~LIFE INSURANCE~~

~~If a Covered Person dies, We will pay the Death Benefit, shown in the Schedule, subject to the provisions of the Policy. Payment will be made in one lump sum to the beneficiary (or to You in the event of a covered Dependent's death).~~

##### ~~Beneficiary Provision~~

~~The beneficiary is as named by You in Your application, unless changed. You may change the beneficiary, unless irrevocable, at any time. To do so, a written request on a form satisfactory to Us must be made to Our home office or to Our Agent. When We record the change, it will take effect as of the date You signed the form. The change will not apply to any payment made by Us before the request was recorded.~~

~~If 2 or more beneficiaries are named and their shares are not specified, they will share the proceeds equally.~~

~~When You die, if there is no living named beneficiary to receive any part of the proceeds, We may pay such proceeds to:~~

- ~~(a) \_\_\_\_\_ the Your estate; or~~
- ~~(b) \_\_\_\_\_ at Our option, to the Your spouse, if living, surviving children, equally, if the spouse is dead, or surviving parents, equally, if all children are dead.~~

~~We will not be liable for such payment after it is made.~~

~~If You made an irrevocable Beneficiary designation this means that You gives up the right to change the Beneficiary. If an irrevocable Beneficiary designation is in effect, the rules about changing the Beneficiary stated above do not apply. You can get this right back if:~~

- ~~(a) the Beneficiary gives written consent; or~~
- ~~(b) the Beneficiary dies.~~

~~If You apply for a conversion policy or apply for a different amount of insurance and names a new Beneficiary on that application, this will be considered a request for a change of Beneficiary. This means that the change in Beneficiary will apply to the Policy as well as the conversion policy even though the conversion policy itself or the changed amount may not yet have taken effect. (For more details about the conversion, see the following Conversion Privilege provision.)~~

~~We may pay benefits to someone other than You or Beneficiary if:~~

- ~~(a) such person or Beneficiary is a minor or cannot give a valid release; and~~
- ~~(b) no request for payment has been made by a duly appointed guardian; and~~
- ~~(c) the person to whom payment will be made appears to have assumed the care and main support of such Beneficiary or You.~~

~~Such benefits will be paid as follows:~~

- ~~(a) A maximum first payment of \$500.00 will be made.~~
- ~~(b) After that, monthly payments of not more than \$200.00 each will be made until benefits are exhausted.~~

~~We may pay up to [\$2,000.00 to] any person appearing to be entitled to such payment by reason of having incurred funeral or other expenses incident to the last illness or death of the Covered Person.~~

~~Any payment We make is done so in good faith; it will fully discharge Us for the amount of such payment.]~~

### ~~[Conversion Privilege~~

~~If insurance on any Covered Person stops because of the Your termination of employment or termination of membership in a class eligible for coverage, such person may convert to an individual life policy if:~~

- ~~(a) written application is made within 31 days of the date of termination; and~~
- ~~(b) the first premium is paid to Us in that time.~~

~~Proof of good health will not be required. The policy will not have any disability, accidental death or dismemberment, or other supplementary benefits. You can choose any form, except term insurance, then in use by Us. The amount cannot be more than the amount of life insurance that ceases. The rate will be Our customary rate. The rate and policy will be based on the form, the amount, the Covered Person's class of risk, and age at the time the individual policy takes effect.~~

~~Subject to the above conditions, the conversion privilege will also be available:~~

- ~~(a) to a surviving Dependent, if any, at the death of You. (This applies only to coverage under the policy that terminates by reason of such death.)~~
- ~~(b) to a Dependent of You if termination of coverage is due to the Dependent no longer meeting the definition of Dependent as defined. (This applies only if Dependent coverage terminates while You remains covered under the Policy.)~~

~~If insurance on any Covered Person stops because:~~

- ~~(a) the Policy terminates; or~~
- ~~(b) the Policy is changed so that a class of insured persons is terminated, such person can convert; however, the Covered Person must have been insured under the Policy for at least three years immediately preceding the date of termination of insurance.~~

~~Conversion is subject to the same rules outlined above, except the amount will not exceed the lesser of:~~

- ~~(a) the amount of insurance ceasing, less the amount such person is or becomes eligible for under any group policy issued within 31 days of the date this insurance stops; or~~
- ~~(b) \$10,000.~~

~~If the Covered Person dies during the 31-day period in which You are entitled to a conversion plan but before such plan takes effect, an amount of life insurance shall be payable. The amount shall be that which the Covered Person would have been entitled to have issued to him or her under the conversion plan. The amount shall be payable as a claim under this Policy; and application or premium payment on the conversion plan need not have been made.~~

~~This conversion privilege is in lieu of all other life insurance benefits under the Policy. The effective date of this conversion plan will be the 32<sup>nd</sup> day after the date that premiums were paid to under the Policy.~~

~~If You have assigned all ownership rights absolutely to an assignee, then, the assignee (instead of You) is entitled to exercise the conversion privilege.~~

~~You shall be given notice of Your conversion right at least 15 days before the end of the time in which You has to apply for the conversion policy. If such notice is not given, You have an additional period of time to exercise Your right. This period ends 15 days after the date the You are given notice; and it will not go past [60-90] days after the original 31-day period.~~

~~Notice may be mailed by the Policyholder or by Us to the Your last known address. In no event, however, will the Your insurance under the Policy be continued beyond the original 31-day period.]~~

## **ACCIDENTAL DEATH AND DISMEMBERMENT INSURANCE**

~~If You suffer loss of life, sight or limb(s) due to an accidental bodily Injury, We will pay an Accidental Death and Dismemberment Benefit for such loss if the following conditions are met:~~

- ~~(a) The loss must result directly from an injury. The injury must be caused by an accident that occurs while the Policy is in force.~~
- ~~(b) The loss must occur no later than [90-365] days after the date the injury was received.~~
- ~~(c) The loss must not be excluded.~~
- ~~(d) The loss of a hand or foot means the severance at or above the wrist or ankle joint.~~
- ~~(e) The loss of sight means total and irrecoverable loss of sight.~~

~~The benefit amount payable for a loss which meets the conditions stated above is as follows:~~

<del>For Loss of Life .....</del>	<del>100% of the Principal Sum</del>
<del>For Loss of One Hand .....</del>	<del>50% of the Principal Sum</del>
<del>For Loss of One Foot .....</del>	<del>50% of the Principal Sum</del>
<del>For Loss of Sight of One Eye .....</del>	<del>50% of the Principal Sum</del>
<del>For Loss of more than one of the above in any one Accident ....</del>	<del>100% of the Principal Sum</del>

~~The Principal Sum is the amount shown in the Schedule. Only one of the amounts, the greatest, will be paid for more than one loss resulting from the same accident.~~

~~The following are not covered under this Accidental Death and Dismemberment Benefit:~~

- ~~(a) Infection or disease, whether the infection or disease is the proximate or contributing cause of the loss; (This does not apply to: (i) pyogenic infections which occur through an accidental wound or cut; or (ii) bacterial infections which result from the accidental ingestion of contaminated substances); or~~
- ~~(b) Voluntary self-administration of any drug or chemical substance not prescribed by, and taken according to the directions of a licensed physician. (Unintentional or involuntary inhalation of gas or ingestion of a poisonous substance is not excluded.)~~

## **HOSPITAL INDEMNITY INSURANCE**

Subject to all of the terms and provisions of the Policy, We will pay Covered Benefits as shown in the Schedule for one or more of the following:

### **[Daily In-Hospital Indemnity Benefit**

We will pay the Daily In-Hospital Indemnity Benefit shown in the Schedule for each day a Covered Person is Confined in a Hospital as a result of Injury or Sickness except for Mental Illness or Substance Abuse. Benefits are payable for the period such person is so confined and receiving medical care and regular attendance of a Physician. The period of payment shall not exceed the number of days shown in the Schedule for all Injury and Sickness during a Calendar Year.]

### **[Daily In-Hospital Indemnity Benefit for Intensive Care Unit**

We will pay the Daily In-Hospital Indemnity Benefit shown in the Schedule for each day a Covered Person is Confined in an Intensive Care Unit (ICU) as a result of Injury or Sickness except for Mental Illness or Substance Abuse. Benefits are payable for the period such person is so confined and receiving medical care and regular attendance of a Physician. The period of payment shall not exceed the number of days shown in the Schedule for all Injury and Sickness during a Calendar Year.]

### **[Daily In-Hospital Indemnity Benefit for Substance Abuse**

~~We will pay the Daily In-Hospital Indemnity Benefit shown in the Schedule for each day a Covered Person is Confined in a Hospital as a result of Substance Abuse. Benefits are payable for the period such person is so confined and receiving medical care and regular attendance of a Physician. The period of payment shall not exceed the number of days shown in the Schedule during a Calendar Year.]~~

### **[Daily In-Hospital Indemnity Benefit for Mental Illness**

~~We will pay the Daily Skilled Nursing Facility Indemnity Benefit shown in the Schedule for each day a Covered Person is Confined in a Hospital as a result of Mental Illness. Benefits are payable for the period such person is so confined and receiving medical care and regular attendance of a Physician. The period of payment shall not exceed the number of days shown in the Schedule during a Calendar Year.]~~

#### ~~[Daily Skilled Nursing Facility Indemnity Benefit]~~

~~We will pay the Daily In-Hospital Indemnity Benefit shown in the Schedule for each day a Covered Person is Confined in a Skilled Nursing Facility as a result of Injury or Sickness except for Mental Illness or Substance Abuse. Benefits are payable for the period such person is so confined and receiving medical care and regular attendance of a Physician. The period of payment shall not exceed the number of days shown in the Schedule for all Injury and Sickness during a Calendar Year.]~~

~~[Supplemental Hospital Inpatient Benefit: After a Covered Person has reached the maximum number of days for inpatient confinement in a Hospital in a Calendar Year, We will pay an additional benefit daily benefit for each additional day of inpatient confinement. The Covered Person must be receiving medical care and regular attendance by a Physician. The daily benefit and the additional number of days for which benefits are payable during the Calendar Year are shown in the Schedule. This benefit is not payable for confinements due to Mental Illness or Substance Abuse.]~~

### **[PLAN A – SCHEDULED NON-HOSPITAL MEDICAL BENEFITS WITH INSIDE LIMITS]**

Benefit payments are based on a percentage of the Resource Based Relative Value System (RBRVS) adopted by Medicare. The maximum benefit payable for each of the following benefits is shown in the Schedule.

#### ~~[Ambulance Transportation Benefit]~~

~~If a Covered Person requires the use of an ambulance service for transportation to or from a Hospital or from one Hospital to another Hospital for care and treatment of a Sickness or Injury. We will pay the Ambulance Transportation Benefit shown in the Schedule. The Daily In-Hospital Indemnity Benefit must be provided under this Policy for this benefit to be payable. The percent for RBRVS, maximum benefit per service and benefit maximums are shown in the Schedule.~~

~~Transportation may be by either ground or air ambulance.~~

~~For purposes of this Benefit, "use of an ambulance service" means physical transportation in an ambulance or other appropriate vehicle registered to a licensed medical transportation service.~~

#### **[Surgical Indemnity Benefit]**

If a Covered Person has a covered surgery performed ~~[while Confined in a Hospital]~~ ~~[or]~~ ~~[on an Outpatient basis]~~, We will pay the Surgical Indemnity Benefit amount. The percent for RBRVS and benefit maximum are shown in the Schedule.

If two or more procedures are performed through the same incision or operative field, payment will be made only for the procedure of the larger benefit. If more than one procedure is performed but each through separate incisions or in a separate operative field, the amount payable shall be the specified amount for the primary procedure plus 50% of the amount payable for all other surgical procedures performed.

#### ~~[Anesthesia Indemnity Benefit]~~

~~If the Surgical Indemnity Benefit is payable, We will pay the Anesthesia Indemnity Benefit amount for the administration of anesthesia related to a covered surgical procedure. The percent for RBRVS and benefit maximum are shown in the Schedule.]~~

#### **[Physician Office Visit Indemnity Benefit]**

We will pay the Physician Office Visit Indemnity Benefit, as shown in the Schedule, for a Physician office visit as a result of Sickness or Injury. The visit must be made to the Physician's office or clinic. It is not payable for a surgeon's visit in a Hospital following surgery. The benefit will not exceed the Maximum Number of Office Visits per Calendar Year, as shown in the Schedule. The percent for RBRVS and benefit maximum are shown in the Schedule. }

#### ~~[In-Hospital Physician Office Visit Indemnity Benefit]~~

~~We will pay the In-Hospital Physician Office Visit Indemnity Benefit, as shown in the Schedule, for a visit by a Physician while Confined in a Hospital as a result of Sickness or Injury. It is not payable for a surgeon's visit in a Hospital following surgery. The benefit will not exceed the Maximum Number of Office Visits per Calendar Year, as shown in the Schedule. The percent for RBRVS and benefit maximum are shown in the Schedule.]~~

#### ~~[Diagnostic X-Ray and Laboratory Indemnity Benefit~~

~~We will pay the Diagnostic X-Ray and Laboratory Indemnity Benefit, as shown in the Schedule, when a Covered Person has diagnostic x ray and laboratory tests performed. Such tests and diagnostic x rays must be ordered by a Physician and be related to an Injury or Sickness. The percent for RBRVS and benefit maximum are shown in the Schedule.]~~

#### ~~[Additional Accidental Injury Indemnity Benefit~~

~~If a Covered Person is injured in an accident and seeks medical treatment within 72 hours of the accident, We will pay the Additional Accidental Injury Indemnity Benefit. The percent for RBRVS and benefit maximum are shown in the Schedule. The maximum benefit is payable for all Injuries related to any one accident.]~~

#### ~~[Child Wellness /Preventive Care Benefit~~

~~We will pay the Wellness/Preventive Care Benefit, as shown in the Schedule, when a Covered child visits a Physician for a well checkup. We will pay the amount shown in the Schedule for each visit up to the maximum number of visits shown in the Schedule. The percent for RBRVS and benefit maximum are shown in the Schedule.]~~

#### ~~[Adult Wellness /Preventive Care Benefit~~

~~We will pay the Wellness/Preventive Care Benefit, as shown in the Schedule, when a Covered adult visits a Physician for a well checkup. We will pay the amount shown in the Schedule for one wellness annual physical visit per Calendar Year. The percent for RBRVS and benefit maximum are shown in the Schedule. }~~

#### ~~[Emergency Room Benefit~~

~~We will pay the Emergency Room Benefit shown in the Schedule if a Covered Person requires medically necessary treatment by a Physician in a Hospital emergency room for a medical emergency due to Injury or Sickness. The benefits will not exceed the maximum number of Emergency Room Visits per Covered Person per Calendar Year shown in the Schedule. The percent for RBRVS and benefit maximum are shown in the Schedule.~~

~~For purposes of this benefit:~~

#### ~~Medical Emergency.~~

~~The sudden onset of a medical condition for which the Covered Person seeks immediate medical treatment at the nearest available facility. The condition must be one that manifests itself by acute symptoms that are sufficiently severe that, without immediate medical attention, could reasonably be expected to result in:~~

- ~~(1) Placing the Covered Person's health in serious jeopardy;~~
- ~~(2) Serious impairment of bodily functions; or~~
- ~~(3) Serious dysfunction of any bodily organ or part.]~~

#### ~~[PLAN B Medical Surgical Benefits for Injury and Sickness~~

~~Subject to the terms and conditions of the Policy, We will pay Covered Benefits for the expenses incurred by a Covered Person for the Medically Necessary medical and surgical services rendered by a Physician for treatment of an Injury or Sickness. Benefits will be based on the percentage of RBRVS shown in the Schedule of Benefits. Covered Benefits include but are not limited to coverage for:~~

- ~~(a) surgical services, including anesthesia;~~
- ~~(b) diagnostic X-ray and laboratory services;~~
- ~~(c) ambulance services;~~
- ~~(d) Physician's office visits;~~
- ~~(e) home health care;~~
- ~~(f) emergency room care;~~
- ~~(g) in hospital medical services, consisting of physician services rendered to a person who is a bed patient in a Hospital for treatment of Sickness or Injury other than that for which surgical care is required; and~~
- ~~(h) hospice care.~~

~~Hospital daily room and board charges and miscellaneous hospital charges are not covered under this Benefit.~~

~~The Maximum Benefit is shown in the Schedule of Benefits.~~

#### ~~Medically Necessary.~~



~~The services or supplies provided by a Hospital or Physician that are required to identify or treat an Injury or Sickness and which, as determined by Us, are:~~

- ~~(a) consistent with the symptom or diagnosis and treatment of a Covered Person's condition, Sickness or Injury;~~
- ~~(b) appropriate with regard to standards of good medical practice;~~
- ~~(c) not solely for the convenience of a Covered Person, a Physician or other provider; and~~
- ~~(d) the most appropriate supply or level of service that can be safely provided to the Covered Person.~~

#### ~~[Plan B—Accident Only Medical Surgical Expense Benefits~~

~~Subject to the terms and conditions of the Policy, We will pay Covered Benefits for the expenses incurred by a Covered Person for the Medically Necessary medical and surgical services rendered by a Physician for treatment of an Injury. Covered charges must be incurred within 90 days after the date the Accident occurs. Benefits will be based in the percentage of the RBRVS shown in the Schedule of Benefits. Covered Benefits include but are not limited to coverage for:~~

- ~~(a) surgical services, including anesthesia;~~
- ~~(b) diagnostic X-ray and laboratory services;~~
- ~~(c) ambulance services;~~
- ~~(d) Physician's office visits;~~
- ~~(e) home health care;~~
- ~~(f) emergency room care;~~
- ~~(g) in-hospital medical services, consisting of physician services rendered to a person who is a bed patient in a Hospital for treatment of Sickness or Injury other than that for which surgical care is required; and~~
- ~~(h) hospice care.~~

~~Hospital daily room and board charges and miscellaneous hospital charges are not covered under this Benefit.~~

~~The Maximum Benefit is shown in the Schedule of Benefits.~~

#### ~~Medically Necessary.~~

~~The services or supplies provided by a Hospital or Physician that are required to identify or treat an Injury and which, as determined by Us, are:~~

- ~~(a) consistent with the symptom or diagnosis and treatment of a Covered Person's Injury;~~
- ~~(b) appropriate with regard to standards of good medical practice;~~
- ~~(c) not solely for the convenience of a Covered Person, a Physician or other provider; and~~
- ~~(d) the most appropriate supply or level of service that can be safely provided to the Covered Person.~~

#### ~~[VISION EXAMINATION BENEFIT~~

~~If a Covered Person has a Vision Examination, We will pay the benefits shown in the Schedule for the applicable Vision Examination Benefits after the You pay a Lifetime Deductible for that Covered Person. The benefits will not exceed the Maximum Benefits per Calendar Year shown in the Schedule.~~

~~For purposes of this benefit:~~

#### ~~Lifetime Deductible.~~

~~The amount that You must pay before benefits are payable for each Covered Person.]~~

#### ~~[DENTAL CARE BENEFITS~~

~~Subject to the Waiting Period, Calendar Year Deductible, Calendar Year Benefit Maximum, and co-payment requirements, We will pay the benefits described below for the stated procedures performed on a Covered Person. The Covered Person's insurance must be in effect for the procedure to be covered. The plan for which a Covered Person is covered is indicated on the Schedule. No benefits are payable for procedures done during a Covered Person's Waiting Period. Either a Dentist or a Dental Hygienist must perform the procedure.~~

#### ~~[PLAN A~~

##### ~~Type I Procedures~~

~~We will pay 100% of the expense incurred for the following procedures up to the maximum number of times described herein for each Covered Person: evaluations (up to two per Calendar Year), cleanings (up to two per Calendar Year), fluoride for children under age 14 only, bitewings (one time per Calendar Year).~~

#### ~~Type 2 Procedures~~

~~We will pay 50% of the expense incurred for the following procedures for each Covered Person: radiographs (X-rays), sealants for children under age 14 only, problem focused limited exams, restorative amalgams, and oral surgery/simple extractions only.]~~

#### ~~[PLAN B~~

#### ~~Type 1 Procedures~~

~~We will pay 100% of the expense incurred for the following procedures up to the maximum number of times described herein for each Covered Person: evaluations (up to two per Calendar Year), cleanings (up to two per Calendar Year), fluoride for children under age 14 only, bitewings (one time per Calendar Year).~~

#### ~~Type 2 Procedures~~

~~During the first Calendar Year, We will pay 60% of the expense incurred for the following procedures for each Covered Person: space maintainers, radiographs (X-rays), Sealants for children under age 14 only, problem focused limited exams, restorative amalgams, oral surgery/simple extractions only, and denture repair. During the Year second Calendar Year, this percentage increases to 70%. During the Year third Calendar Year and subsequent years, this percentage increases to 80%.]~~

#### ~~[PLAN C~~

#### ~~Type 1 Procedures~~

~~We will pay 100% of the expense incurred for the following procedures up to the maximum number of times described herein for each Covered Person: evaluations (up to two per Calendar Year), cleanings (up to two per Calendar Year), fluoride and sealants for children under age 14 only, bitewings (one time per Calendar Year).~~

#### ~~Type 2 Procedures~~

~~During the first Calendar Year, We will pay 60% of the expense incurred for the following procedures for each Covered Person: space maintainers, radiographs (X-rays), problem focused limited exams, restorative amalgams, oral surgery/simple extractions only, and denture repair. During the Year second Calendar Year, this percentage increases to 70%. During the Year third Calendar Year and subsequent years, this percentage increases to 80%.~~

#### ~~Type 3 Procedures~~

~~During the first Certificate Year, We will pay 10% of expense incurred for the following procedures for each Covered Person: oral surgery/complex extractions, anesthesia for crown repair, endodontics (root canals and apicoectomy only), periodontics (gum disease) excluding surgery, periodontics (gum disease) surgical restoration for crowns, prosthodontics (fixed pontics or abutments), and prosthodontics (removal of dentures and partials). During the Year second Calendar Year, this percentage increases to 35%. During the Year third Calendar Year and subsequent years, this percentage increases to 50%.]~~

~~For purposes of this benefit:~~

#### ~~Waiting Period:~~

~~The period after the Covered Person's Effective date of coverage for which benefits are not payable. In the event of a reinstatement, all Covered Persons will be subject to new Waiting Periods beginning with the effective date of reinstatement. If a dependent is added after Your Effective Date, the Waiting Period will begin from the effective date of the addition for that Covered Person. The Waiting Period will vary based on type of service/procedure. (See the Schedule)]]~~

## SECTION 4 - EXCLUSIONS AND LIMITATIONS

With respect to all of the benefits provided under the Policy, no benefits will be payable as the result of:

- (a) suicide or any attempt thereat, while sane or insane. ~~{If any Covered Person, sane or insane, should die by suicide within two years (one year in Colorado and North Dakota) of Your Effective Date of coverage, Life Insurance benefits will not be payable; (In Missouri, the reference to insanity does not apply and suicide is no defense to payment under this Policy where the Covered Person is a Missouri citizen unless We can show that the Covered Person intended suicide when You applied for coverage, regardless of any language to the contrary in the Policy.)}~~ ← Life insurance not being provided.
- (b) any intentionally self-inflicted injury or Sickness;
- (c) rest care or rehabilitative care and treatment;
- (d) cosmetic surgery or care or treatment solely for cosmetic purposes, or complications therefrom. This exclusion does not apply to cosmetic surgery resulting from an Injury if initial treatment of the Covered Person is begun within 12 months of the date of the Accident;
- (e) immunization shots and routine examinations such as: health exams; periodic check-ups; pre-marital exams; and routine physicals, except as otherwise covered under the Policy;
- (f) routine newborn care, including routine nursery charges;
- (g) voluntary abortion, except with respect to You or covered Dependent spouse where such person's life would be endangered if the fetus were carried to term or where medical complications have arisen from an abortion;
- (h) pregnancy of a Dependent child, unless required by law;
- (i) a Covered Person's participation in a riot, civil commotion, civil disobedience, or unlawful assembly. This does not include a loss which occurs while acting in a lawful manner within the scope of authority;
- (j) a Covered Person committing, attempting to commit, or taking part in a felony, or engaging in an illegal occupation;
- (k) a Covered Person's participation in a contest of speed in power driven vehicles, parachuting, parasailing, bungee-jumping, or hang gliding;
- (l) air travel, except:
  - (1) as a fare-paying passenger on a commercial airline on a regularly scheduled route; or
  - (2) as a passenger for transportation only and not as a pilot or crew member;
- (m) any Accident occurring as a result of the Covered Person being intoxicated (where the blood alcohol content meets the legal presumption of intoxication under the law of the state where the Accident took place);
- (n) sex changes;
- (o) experimental treatments or surgery;
- (p) the reversal of tubal ligation and vasectomies;
- (q) artificial insemination, in vitro fertilization, and test tube fertilization, including any related testing, medications, or Physician's services, unless required by law;
- (r) treatment of exogenous obesity or weight control;
- (s) an act of war, whether declared or undeclared, or while performing police duty as a member of any military or naval organization. This exclusion includes Injury sustained or Sickness contracted while in the service of any military, naval or air force of any country engaged in war. We will refund the pro rata unearned premium for any such period the Covered Person is not covered;
- (t) Injury or sickness arising out of and in the course of any occupation for compensation, wage or profit. Expenses which are payable under Occupational Disease Law or similar law, whether or not application for such benefits have been made; and
- (u) ~~{Pre-Existing Conditions}~~.

~~{In addition to the Exclusions and Limitations for all coverages, the following are not covered under the Physician Office Visit Indemnity Benefit and the Diagnostic X-Ray and Laboratory Indemnity Benefit:~~

- (a) visits made, examinations given, or x-rays or laboratory tests performed as an in-patient while Confined to a Hospital;
- (b) routine eye examinations or fitting of glasses;
- (c) fitting of hearing aids;
- (d) dental examinations or dental care other than expenses resulting from accidental injury; and
- (e) benefits that are provided under any other part of the Policy.

~~{In addition to the Exclusions and Limitations for all coverages, the following are not covered under the Vision Examination Benefit:~~

- ~~(a) any procedure or service not shown on the Schedule;~~
- ~~(b) any Vision Examination required by an employer as a condition of employment;~~

- ~~(c) any vision materials (i.e. glasses, contact lenses, eyeglass lenses, eyeglass frames, safety eyewear, plain or prescription sunglasses, sub-normal vision aids, etc.); and~~
- ~~(d) medical or surgical treatment of the eyes.~~

~~[In addition to the Exclusions and Limitations for all coverages, the following are not covered under the Dental Care Benefits:~~

- ~~(a) Charges for dental services performed by other than Dentist or Dental Hygienist;~~
- ~~(b) Services that are not recommended by a dentist or that are not required for the preservation or restoration of oral health;~~
- ~~(c) Services not specified in the Dental Care Benefits;~~
- ~~(d) Repairs or adjustments to dental work within six months of the initial work;~~
- ~~(e) Replacement prosthetics within seven years of last placement;~~
- ~~(f) Treatment involving crowns for a given tooth within seven years of last placement, regardless of the type of crown;~~
- ~~(g) Replacement for inlays or onlays for a given tooth within seven years of last placement;~~
- ~~(h) Implants (materials implanted into or on the bone or soft tissue) or the removal of implants or any related services;~~
- ~~(i) Any services performed for convenience or cosmetic purposes;~~
- ~~(j) Orthodontic treatment;~~
- ~~(k) Temporomandibular Joint (TMJ) dysfunctions;~~
- ~~(l) Replacement of teeth missing prior to the effective date of coverage;~~
- ~~(m) Initial placement of removable full or partial dentures, unless it includes the replacement of a functioning natural tooth extracted while the Covered Person is covered under the Group Policy; and~~
- ~~(n) initial placement of a fixed partial denture including a Maryland Bridge, unless it includes the replacement of a functioning natural tooth extracted while the Covered Person is covered under the Group Policy.]~~

## SECTION 5 – TERMINATION OF INSURANCE

**TERMINATION OF A COVERED PERSON'S INSURANCE:** Your insurance will cease on the earliest of:

- (a) the first day of the month following the date You cease to be a member of a class eligible for coverage as shown in the group application;
- (b) the end of the last period for which premium payment has been made to Us, subject to the Grace Period;
- (c) ~~the first day of the month following the date the Covered Person attains the Limiting Age shown in the Schedule;~~ or
- (d) the date the Policy terminates.

The insurance on a Dependent will cease on the earliest of:

- (a) the date Your coverage terminates;
- (b) the Covered Person attains the limiting age for eligibility;
- (c) the end of the last period for which premium payment has been made to Us, subject to the Grace Period;
- (d) the date the Dependent no longer meets the definition of Dependent, as defined in the Policy; or
- (e) the date the Policy is modified so as to exclude Dependent coverage.

We shall have the right to terminate the coverage of any Covered Person who submits a fraudulent claim under the Policy.

**EXTENSION OF BENEFITS:** Whenever termination of coverage under this section occurs because of termination of the Your eligibility, such termination shall be without prejudice to:

- (a) any Hospital Confinement which commenced while the Policy was in force, with respect to In-Hospital Indemnity Benefits; or
- (b) any covered treatment or service for which benefits would be provided under the Hospital Indemnity Benefits of the Policy and which commenced while the Policy was in force; provided; however, that the Covered Person is and continues to be Hospital Confined or Totally Disabled. Such Extension of Benefits shall continue for up to 90 days.

## SECTION 6 – PREMIUMS

All premiums are payable on or before the date they are due. Premiums are payable by a mode of payment that has been agreed upon between the Policyholder and Us. The premiums are shown in the Schedule.

## SECTION 7 – CERTIFICATE PROVISIONS

**TIME LIMIT ON CERTAIN DEFENSES:** If You made a misstatement on the enrollment form, We may not use it to void insurance under this Policy or to deny a claim for loss incurred after 2 years from the Covered Person's effective date. However, if the misstatement was fraudulent, there is no time limit. If You request an increase in benefits, a new 2 year time limit period will apply to the increase in benefits only.

**GRACE PERIOD:** If You do not pay a renewal premium when due, You still has a 31-day grace period to pay. During the grace period the insurance will stay in force. No Grace Period is provided when, prior to the end of the grace period, the Policyholder has given Us notice of its intent to terminate the Policy. In addition, there is no grace period if Our Agent or We deliver or mail to the Policyholder, at least 60 days before the premium due date, a notice of Our intent to not renew the Policy. ~~.(Contributory plan or dependents insurance only.)~~

**NOTICE OF CLAIM:** Written notice of claim must be given to Us at Our home office or to Our authorized Agent. Such notice should be made within ~~{30}~~ days after any loss covered by the Policy. If it is not reasonably possible to give notice within that time, the claim may not be denied or reduced due to the delay. Notice give by or on behalf of the claimant to Us or to any authorized Agent with information sufficient to identify the Covered Person shall be deemed notice to Us.

**CLAIM FORMS:** We, upon receipt of a notice of claim, will furnish to the claimant such forms as are usually furnished by it for filing proofs of loss. If such forms are not furnished within ~~{15}~~ days after the giving of such notice, the claimant shall be deemed to have complied with the requirements of this Policy as to proof of loss upon submitting, within the time fixed in the Policy for filing proofs of loss, written proof covering the occurrence, the character and the extent of the loss for which claim is made.

**PROOFS OF LOSS:** Written proof of loss must be furnished to Us at Our said office within ~~{90}~~ days after the date of such loss. Failure to furnish such proof within the time required shall not invalidate nor reduce any claim if it was not reasonably possible to give proof within such time, provided such proof is furnished as soon as reasonably possible ~~{and in no event, except in the absence of legal capacity, later than one year from the time proof is otherwise required.}~~

**TIME OF PAYMENT OF CLAIM:** Indemnities payable under this Policy for any loss will be paid immediately upon receipt of due written proof of such loss.

**PAYMENT OF BENEFITS:** Loss of life benefits are payable in accordance with the beneficiary designation in effect at the time of payment. If none is then in effect, the benefits will be paid to the Your estate. Any accrued benefits unpaid at death may be paid, at Our option, either to Your beneficiary or estate. All other benefits will be paid to You. If benefits are payable to the Your estate or to a beneficiary who cannot execute a valid release, We may pay benefits up to ~~{ \$1,000 }~~ to someone related to You or Your beneficiary by blood or marriage whom is considered to be entitled to the benefits. We will be discharged to the extent of any such payment made in good faith.

**ASSIGNMENT, CHANGE OF BENEFICIARY:** Health Indemnity Benefits may be assigned to the provider(s) of such benefits. You may change the beneficiary under this Policy by giving Us written notice to its Home Office or to Our Agent. The change or assignment will not be effective until We receive the written notice. The beneficiary's consent is not required to make any change in this Policy or to surrender or assign this Policy unless You named an irrevocable beneficiary and expressly stated that it could not be changed. We assume no responsibility for the validity of any assignment. If this insurance replaced group insurance that was in effect with another insurance company, We will use the beneficiary designation in effect under such prior plan, unless changed by You according to this Policy.

**PHYSICAL EXAMINATION AND AUTOPSY:** We have the right to have a Covered Person examined by a Physician of Our choice as often as reasonably necessary while a claim is pending. We will pay for such examination. In case of death, We may request an autopsy where it is not forbidden by law. These will be done at Our expense.

**LEGAL ACTIONS:** No action at law or in equity shall be brought to recover on this Policy prior to the expiration of sixty day after written proof of loss has been furnished in accordance with the requirements of this Policy. No action shall be brought after the expiration of ~~{3}~~ years ~~{5 in Kansas and Florida; 6 in South Carolina}~~ after the time written proof of loss is required to be furnished.

**MISSTATEMENT OF AGE:** If the age of any Covered Person is incorrectly stated, the amount of benefits payable will be the amount shown on the Schedule. The premium will be adjusted so that We will be paid any amount due based on such Covered Person's true age.

We have received your filing regarding the above named association/ discretionary group. To determine if this organization is a qualified group under our statutes, please provide the answers to the following questions:

1. Name and address of the group.

United Association of Small Business  
2055 Spaulding Road (P.O. Box 61633)  
North Charleston, SC 29419-1633

2. Is this group incorporated? If so, give state of incorporation.

Yes - Missouri

3. Is there a current office in Arkansas?

No

4. Does the Arkansas part of the organization have any officers, committees, or chapters? If so, give details.

No

5. Are annual dues charged? If so, specify amount.

UASB dues are done monthly \$10 This would be included in the association membership. If a member elects to purchase the Insurance benefits at that time or later the dues will also be included in the monthly costs.

6. What are the specific activities of the organization?

The founders of UASB realized that the "good old days" of working for a large corporation and depending on a hefty pension for retirement were quickly disappearing. They recognized the need for individuals to claim responsibility for securing their financial well being--and the need for an association to help them succeed. Above all, they understood that all Americans share common concerns about finances, family and the future.

UASB is dedicated to the idea that all Americans--whether they live in the hustle and bustle of the city or in the wide expanse of the rural countryside--are entitled to a comfortable lifestyle. With this in mind, UASB uses the group negotiating power of its membership to provide access to money saving benefits for personal and professional expenses.

7. What benefits are provided to the members in addition to insurance?  
PLEASE ATTACH BROCHURES ON THE BENEFITS.

Members would receive Lifestyle Benefits, Hearing, vision, chiropractic, alternative medicine, laboratory benefits, Dental, Discount RX, 24 Hour Nurse Hotline and Savings Network

Attached it a copy of the Current UASB Brochure. This is NOT affiliated with Presidential Life

8. What qualifies an individual for membership?

Small business owner, employee of a small business or someone who does not have access to benefits through their small business

9. How are members recruited? If by mailing list, advise the source of this list.

Through Independent agents and the internet.

10. Attach a copy of the organization by-laws.

Articles of Incorporation and By-Laws attached.

11. Also, enclose a list of dues paying members residing in Arkansas with full addresses. If the organization considers this privileged information, we will treat it as such and once it has served our purpose, it will be destroyed.

Not applicable, waiting for filing



12. Please attach a copy of the organization's most recent financial statement.

[Attached please find a copy of the association's 2009 tax return.](#)

13. Does the organization receive any compensation of any kind from the insurer issuing contracts to its members?

[No](#)

Approval of the organization as a qualified group for insurance purposes will be determined upon receipt of your reply.

## U.S. Corporation Income Tax Return

For calendar year 2009 or tax year

OMB No. 1545-0123

2009

beginning \_\_\_\_\_, ending \_\_\_\_\_

## A Check if:

- 1a Consolidated return (attach Form 851) ☐  
b Life/nonlife consolidated return ☐  
2 Personal holding co. (attach Sch. PH) ☐  
3 Personal service corp. (see instructions) ☐  
4 Schedule M-3 attached ☐

Use IRS label. Otherwise, print or type.

Name

UNITED ASSOCIATION OF SMALL BUSINESS

Number, street, and room or suite no. If a P.O. box, see instructions.

PO BOX 61633

City or town, state, and ZIP code

N CHARLESTON, SC 29419-1633

B Employer identification number

43-1891195

C Date incorporated

03/31/2000

D Total assets (see instructions)

\$ 89,056.

E Check if: (1) ☐ Initial return (2) ☐ Final return (3) ☐ Name change (4) ☐ Address change

Income	1 a Gross receipts or sales	8,136,553.	b Less returns and allowances		c Bal	1c	8,136,553.
	2 Cost of goods sold (Schedule A, line 8)					2	6,674,505.
	3 Gross profit. Subtract line 2 from line 1c					3	1,462,048.
	4 Dividends (Schedule C, line 19)					4	
	5 Interest					5	
	6 Gross rents					6	
	7 Gross royalties					7	
	8 Capital gain net income (attach Schedule D (Form 1120))					8	
	9 Net gain or (loss) from Form 4797, Part II, line 17 (attach Form 4797)					9	
	10 Other income (attach schedule)					10	
	11 Total income. Add lines 3 through 10					11	1,462,048.
Deductions (See instructions for limitations on deductions.)	12 Compensation of officers (Schedule E, line 4)					12	
	13 Salaries and wages (less employment credits)					13	
	14 Repairs and maintenance					14	
	15 Bad debts					15	
	16 Rents					16	46,903.
	17 Taxes and licenses	SEE STATEMENT 1				17	5,067.
	18 Interest					18	
	19 Charitable contributions					19	
	20 Depreciation from Form 4562 not claimed on Schedule A or elsewhere on return (attach Form 4562)					20	
	21 Depletion					21	
	22 Advertising					22	1,071,019.
	23 Pension, profit-sharing, etc., plans					23	
	24 Employee benefit programs					24	
	25 Domestic production activities deduction (attach Form 8903)					25	
	26 Other deductions (attach schedule)	SEE STATEMENT 2				26	230,849.
	27 Total deductions. Add lines 12 through 26					27	1,353,838.
	28 Taxable income before net operating loss deduction and special deductions. Subtract line 27 from line 11					28	108,210.
29 Less: a Net operating loss deduction	STATEMENT 3	29a	28,811.				
b Special deductions (Schedule C, line 20)		29b					
29c					29c	28,811.	
Tax, Refundable Credits, and Payments	30 Taxable income. Subtract line 29c from line 28 (see instructions)					30	79,399.
	31 Total tax (Schedule J, line 10)					31	15,246.
	32 a 2008 overpayment credited to 2009	32a					
	b 2009 estimated tax payments	32b					
	c 2009 refund applied for on Form 4466	32c	(	)	d Bal	32d	
	e Tax deposited with Form 7004				32e		
	f Credits: (1) Form 2439 (2) Form 4136				32f		
	g Refundable credits from Form 3800, line 19c, and Form 8827, line 8c				32g		
	32h				32h		
	33 Estimated tax penalty (see instructions). Check if Form 2220 is attached					33	368.
	34 Amount owed. If line 32h is smaller than the total of lines 31 and 33, enter amount owed					34	15,614.
35 Overpayment. If line 32h is larger than the total of lines 31 and 33, enter amount overpaid					35		
36 Enter amount from line 35 you want: Credited to 2010 estimated tax Refunded					36		

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer

Date

PRESIDENT

Title

May the IRS discuss this return with the preparer shown below?

☒ Yes ☐ No

Paid Preparer's Use Only

Preparer's signature

Date

Check if self-employed ☐

Preparer's SSN or PTIN P00137300

Firm's name (or yours if self-employed), address, and ZIP code

L BARTON CARSON JR CPA, LLC  
POST OFFICE BOX 62468  
NORTH CHARLESTON, SC 29419-2468EIN 20-0757038  
Phone no. 843-576-5409

**Schedule A Cost of Goods Sold** (see instructions)

1	Inventory at beginning of year	1	
2	Purchases	2	
3	Cost of labor	3	
4	Additional section 263A costs (attach schedule)	4	
5	Other costs (attach schedule)	5	6,674,505.
6	<b>Total.</b> Add lines 1 through 5	6	6,674,505.
7	Inventory at end of year	7	
8	<b>Cost of goods sold.</b> Subtract line 7 from line 6. Enter here and on page 1, line 2	8	6,674,505.

9a Check all methods used for valuing closing inventory:

(i) ☐ Cost

(ii) ☐ Lower of cost or market

(iii) ☐ Other (Specify method used and attach explanation.) ►

b Check if there was a writedown of subnormal goods ► ☐

c Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970) ► ☐

d If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO 9d

e If property is produced or acquired for resale, do the rules of section 263A apply to the corporation? ☐ Yes ☒ No

f Was there any change in determining quantities, cost, or valuations between opening and closing inventory? ☐ Yes ☒ No

If "Yes," attach explanation

**Schedule C Dividends and Special Deductions** (see instructions)

	(a) Dividends received	(b) %	(c) Special deductions (a) x (b)
1	Dividends from less-than-20%-owned domestic corporations (other than debt-financed stock)	70	
2	Dividends from 20%-or-more-owned domestic corporations (other than debt-financed stock)	80	
3	Dividends on debt-financed stock of domestic and foreign corporations	see instructions	
4	Dividends on certain preferred stock of less-than-20%-owned public utilities	42	
5	Dividends on certain preferred stock of 20%-or-more-owned public utilities	48	
6	Dividends from less-than-20%-owned foreign corporations and certain FSCs	70	
7	Dividends from 20%-or-more-owned foreign corporations and certain FSCs	80	
8	Dividends from wholly owned foreign subsidiaries	100	
9	<b>Total.</b> Add lines 1 through 8		
10	Dividends from domestic corporations received by a small business investment company operating under the Small Business Investment Act of 1958	100	
11	Dividends from affiliated group members	100	
12	Dividends from certain FSCs	100	
13	Dividends from foreign corporations not included on lines 3, 6, 7, 8, 11, or 12		
14	Income from controlled foreign corporations under subpart F (attach Form(s) 5471)		
15	Foreign dividend gross-up		
16	IC -DISC and former DISC dividends not included on lines 1, 2, or 3		
17	Other dividends		
18	Deduction for dividends paid on certain preferred stock of public utilities		
19	<b>Total dividends.</b> Add lines 1 through 17. Enter here and on page 1, line 4		
20	<b>Total special deductions.</b> Add lines 9, 10, 11, 12, and 18. Enter here and on page 1, line 29b		

**Schedule E Compensation of Officers**

(see instructions for page 1, line 12)

Note: Complete Schedule E only if total receipts (line 1a plus lines 4 through 10 on page 1) are \$500,000 or more.

(a) Name of officer	(b) Social security number	(c) Percent of time devoted to business	Percent of corporation stock owned		(f) Amount of compensation
			(d) Common	(e) Preferred	
1					
2	Total compensation of officers				
3	Compensation of officers claimed on Schedule A and elsewhere on return				
4	Subtract line 3 from line 2. Enter the result here and on page 1, line 12				

**Schedule J Tax Computation** (see instructions)

1	Check if the corporation is a member of a controlled group (attach Schedule O (Form 1120))	STMT 5		
2	Income tax. Check if a qualified personal service corporation (see instructions)		2	15,246.
3	Alternative minimum tax (attach Form 4626)		3	
4	Add lines 2 and 3		4	15,246.
5a	Foreign tax credit (attach Form 1118)	5a		
5b	Credit from Form 8834, line 29	5b		
5c	General business credit (attach Form 3800)	5c		
5d	Credit for prior year minimum tax (attach Form 8827)	5d		
5e	Bond credits from Form 8912	5e		
6	<b>Total credits.</b> Add lines 5a through 5e		6	
7	Subtract line 6 from line 4		7	15,246.
8	Personal holding company tax (attach Schedule PH (Form 1120))		8	
9	Other taxes. Check if from: <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611 <input type="checkbox"/> Form 8697 <input type="checkbox"/> Form 8866 <input type="checkbox"/> Form 8902 <input type="checkbox"/> Other (attach schedule)		9	
10	<b>Total tax.</b> Add lines 7 through 9. Enter here and on page 1, line 31		10	15,246.

**Schedule K Other Information** (see instructions)

1	Check accounting method: a <input type="checkbox"/> Cash b <input checked="" type="checkbox"/> Accrual c <input type="checkbox"/> Other (specify) ▶	Yes	No
2	See the instructions and enter the: a Business activity code no. ▶ 524290 b Business activity ▶ SALES & SERVICES c Product or service ▶ INSURANCE		
3	Is the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? If "Yes," enter name and EIN of the parent corporation ▶		X
4	At the end of the tax year: a Did any foreign or domestic corporation, partnership (including any entity treated as a partnership), trust, or tax-exempt organization own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of the corporation's stock entitled to vote? If "Yes," complete Part I of Schedule G (Form 1120) (attach Schedule G) b Did any individual or estate own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of the corporation's stock entitled to vote? If "Yes," complete Part II of Schedule G (Form 1120) (attach Schedule G)		X
5	At the end of the tax year, did the corporation: a Own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of stock entitled to vote of any foreign or domestic corporation not included on Form 851, Affiliations Schedule? For rules of constructive ownership, see instructions If "Yes," complete (i) through (iv).	Yes	No

(i) Name of Corporation	(ii) Employer Identification Number (if any)	(iii) Country of Incorporation	(iv) Percentage Owned in Voting Stock

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Form 1120 (2009)

**Schedule K** Continued

- b** Own directly an interest of 20% or more, or own, directly or indirectly, an interest of 50% or more in any foreign or domestic partnership (including an entity treated as a partnership) or in the beneficial interest of a trust? For rules of constructive ownership, see instructions ..... **X**
- If "Yes," complete (i) through (iv).

(i) Name of Entity	(ii) Employer Identification Number (if any)	(iii) Country of Organization	(iv) Maximum Percentage Owned in Profit, Loss, or Capital

- 6** During this tax year, did the corporation pay dividends (other than stock dividends and distributions in exchange for stock) in excess of the corporation's current and accumulated earnings and profits? (See sections 301 and 316.) ..... **X**
- If "Yes," file **Form 5452**, Corporate Report of Nondividend Distributions.
- If this is a consolidated return, answer here for the parent corporation and on Form 851 for each subsidiary.
- 7** At any time during the tax year, did one foreign person own, directly or indirectly, at least 25% of **(a)** the total voting power of all classes of the corporation's stock entitled to vote or **(b)** the total value of all classes of the corporation's stock? ..... **X**
- For rules of attribution, see section 318. If "Yes," enter:
- (i)** Percentage owned ► \_\_\_\_\_ and **(ii)** Owner's country ► \_\_\_\_\_
- (c)** The corporation may have to file **Form 5472**, Information Return of a 25% Foreign-Owned U.S. Corporation or a Foreign Corporation Engaged in a U.S. Trade or Business. Enter the number of Forms 5472 attached ► \_\_\_\_\_
- 8** Check this box if the corporation issued publicly offered debt instruments with original issue discount ..... ☐
- If checked, the corporation may have to file **Form 8281**, Information Return for Publicly Offered Original Issue Discount Instruments.
- 9** Enter the amount of tax-exempt interest received or accrued during the tax year ► \$ \_\_\_\_\_
- 10** Enter the number of shareholders at the end of the tax year (if 100 or fewer) ► \_\_\_\_\_
- 11** If the corporation has an NOL for the tax year and is electing to forego the carryback period, check here ..... ☐
- If the corporation is filing a consolidated return, the statement required by Regulations section 1.1502-21(b)(3) must be attached or the election will not be valid.
- 12** Enter the available NOL carryover from prior tax years (do not reduce it by any deduction on line 29a.) ► \$ **28,811.**
- 13** Are the corporation's total receipts (line 1a plus lines 4 through 10 on page 1) for the tax year **and** its total assets at the end of the tax year less than \$250,000? ..... **X**
- If "Yes," the corporation is not required to complete Schedules L, M-1, and M-2 on page 5. Instead, enter the total amount of cash distributions and the book value of property distributions (other than cash) made during the tax year. ► \$ \_\_\_\_\_

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Form **1120** (2009)

<b>Schedule L Balance Sheets per Books</b>		Beginning of tax year		End of tax year	
		(a)	(b)	(c)	(d)
<b>Assets</b>					
1	Cash .....				89,056.
2a	Trade notes and accounts receivable .....				
b	Less allowance for bad debts .....	( )		( )	
3	Inventories .....				
4	U.S. government obligations .....				
5	Tax-exempt securities .....				
6	Other current assets (att. sch.) .....				
7	Loans to shareholders .....				
8	Mortgage and real estate loans .....				
9	Other investments (att. sch.) .....				
10a	Buildings and other depreciable assets .....				
b	Less accumulated depreciation .....	( )		( )	
11a	Depletable assets .....				
b	Less accumulated depletion .....	( )		( )	
12	Land (net of any amortization) .....				
13a	Intangible assets (amortizable only) .....				
b	Less accumulated amortization .....	( )		( )	
14	Other assets (att. sch.) .....				
15	<b>Total assets</b> .....		0.		89,056.
<b>Liabilities and Shareholders' Equity</b>					
16	Accounts payable .....				
17	Mortgages, notes, bonds payable in less than 1 year .....				
18	Other current liabilities (att. sch.) <b>STMT 6</b> .....		10,830.		34,217.
19	Loans from shareholders .....		19,904.		
20	Mortgages, notes, bonds payable in 1 year or more .....				
21	Other liabilities (att. sch.) .....				
22	Capital stock: a Preferred stock .....				
	b Common stock .....				
23	Additional paid-in capital .....				
24	Retained earnings - Appropriated (attach schedule) .....				
25	Retained earnings - Unappropriated .....		-30,734.		54,839.
26	Adjustments to shareholders' equity (attach schedule) .....				
27	Less cost of treasury stock .....	( )		( )	
28	<b>Total liabilities and shareholders' equity</b> .....		0.		89,056.

**Schedule M-1 Reconciliation of Income (Loss) per Books With Income per Return**

Note: Schedule M-3 required instead of Schedule M-1 if total assets are \$10 million or more - see instructions

1	Net income (loss) per books .....	85,573.	7	Income recorded on books this year not included on this return (itemize):	
2	Federal income tax per books .....	15,246.		Tax-exempt interest \$ .....	
3	Excess of capital losses over capital gains .....				
4	Income subject to tax not recorded on books this year (itemize): .....				
5	Expenses recorded on books this year not deducted on this return (itemize):		8	Deductions on this return not charged against book income this year (itemize):	
a	Depreciation .....		a	Depreciation .....	
b	Charitable contributions .....		b	Charitable contributions .....	
c	Travel and entertainment .....	7,391.			
		7,391.	9	Add lines 7 and 8 .....	
6	Add lines 1 through 5 .....	108,210.	10	Income (page 1, line 28) - line 6 less line 9 .....	108,210.

**Schedule M-2 Analysis of Unappropriated Retained Earnings per Books (Line 25, Schedule L)**

1	Balance at beginning of year .....	-30,734.	5	Distributions: a Cash .....	
2	Net income (loss) per books .....	85,573.		b Stock .....	
3	Other increases (itemize): .....			c Property .....	
			6	Other decreases (itemize): .....	
			7	Add lines 5 and 6 .....	
4	Add lines 1, 2, and 3 .....	54,839.	8	Balance at end of year (line 4 less line 7) .....	54,839.

FORM 1120	TAXES AND LICENSES	STATEMENT	1
DESCRIPTION	AMOUNT		
TAXES & LICENSES	282.		
MISSOURI TAXES - BASED ON INCOME	4,785.		
TOTAL TO FORM 1120, LINE 17	5,067.		

FORM 1120	OTHER DEDUCTIONS	STATEMENT	2
DESCRIPTION	AMOUNT		
BANK CHARGES	24,704.		
MEALS AND ENTERTAINMENT	7,391.		
MISCELLANEOUS	13,098.		
OFFICE SUPPLIES	9,152.		
POSTAGE & DELIVERY	2,576.		
REIMBURSED EXPENSES	7,162.		
TELEPHONE	113,458.		
TRAVEL	47,416.		
UTILITIES	5,892.		
TOTAL TO FORM 1120, LINE 26	230,849.		

NET OPERATING LOSS DEDUCTION				STATEMENT	3
TAX YEAR	LOSS SUSTAINED	LOSS PREVIOUSLY APPLIED	LOSS REMAINING	AVAILABLE THIS YEAR	
12/31/08	28,811.		28,811.	28,811.	
NOL AVAILABLE THIS YEAR			28,811.	28,811.	

SCHEDULE A	COST OF GOODS SOLD - OTHER COSTS	STATEMENT	4
DESCRIPTION	AMOUNT		
COMMISSION	2,255,244.		
CUSTOMER SERVICE SUPPORT	57,969.		
IT SUPPORT	70,671.		
MERCHANT FEES	110,839.		
PRODUCT COST	3,341,592.		

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PROFESSIONAL FEES

118,715.

REFUNDS

281,664.

RETURNS

437,811.

TOTAL TO SCHEDULE A, LINE 5

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6,674,505.  

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## TAX COMPUTATION

STATEMENT 5

1.	TAXABLE INCOME . . . . .	79,399	
2.	LESSER OF LINE 1 OR FIRST BRACKET AMOUNT . .	50,000	
3.	LINE 1 LESS LINE 2 . . . . .	29,399	
4.	LESSER OF LINE 3 OR SECOND BRACKET AMOUNT . .	25,000	
5.	LINE 3 LESS LINE 4 . . . . .	4,399	
6.	INCOME SUBJECT TO 34% TAX RATE . . . . .	4,399	
7.	INCOME SUBJECT TO 35% TAX RATE . . . . .	0	
8.	15 PERCENT OF LINE 2 . . . . .	7,500	
9.	25 PERCENT OF LINE 4 . . . . .	6,250	
10.	34 PERCENT OF LINE 6 . . . . .	1,496	
11.	35 PERCENT OF LINE 7 . . . . .	0	
12.	ADDITIONAL 5% SURTAX. . . . .	0	
13.	ADDITIONAL 3% SURTAX . . . . .	0	
14.	TOTAL INCOME TAX . . . . .		15,246

SCHEDULE L	OTHER CURRENT LIABILITIES	STATEMENT	6
DESCRIPTION	BEGINNING OF TAX YEAR	END OF TAX YEAR	
BANK OVERDRAFT	10,830.		
CREDIT CARD PAYABLE		14,186.	
FEDERAL ACCRUED TAXES		15,246.	
STATE ACCRUED TAXES		4,785.	
TOTAL TO SCHEDULE L, LINE 18	10,830.	34,217.	

FORM 4626	ALTERNATIVE MINIMUM TAX NOL DEDUCTION	STATEMENT	7
TAX YEAR	LOSS SUSTAINED	LOSS PREVIOUSLY APPLIED	LOSS REMAINING
12/31/08	28,811.		28,811.
AMT NOL CARRYOVER AVAILABLE THIS YEAR			28,811.

FORM 2220		COMPUTATION OF UNDERPAYMENT PENALTY					STATEMENT		8
Q T R	EVENT AMOUNT TYPE	*	REMAINING UNDERPAYMENT	PERIOD OF UNDERPAYMENT		DAYS	INT RATE	AMOUNT OF PENALTY	
A	Q		3,812.	04/15/2009	03/15/2010	334	4%	140.	
B	Q		3,811.	06/15/2009	03/15/2010	273	4%	114.	
C	Q		3,812.	09/15/2009	03/15/2010	181	4%	76.	
D	Q		3,811.	12/15/2009	03/15/2010	90	4%	38.	
TOTAL TO FORM 2220, LINE 38									368.

EVENT TYPE: Q = AMOUNT UNDERPAID AT START OF QUARTER  
 P = PAYMENT  
 W = WITHHOLDING  
 R = INTEREST RATE CHANGE  
 L = SWITCH TO OR FROM A LEAP YEAR